Financial Section

Contents

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Eleven-Year Summary

	2011	2010	2009	2008
Statement of Income • Statement of Comprehensive Income Data:				
Net sales:	**¥269,139**	¥228,446	¥256,163	¥334,431
Machined components	**107,841**	99,291	—	—
Percentage of net sales	**40%**	44%	—	—
Rotary components	**101,139**	74,185	—	—
Percentage of net sales	**38%**	32%	—	—
Electronic devices and components	**40,502**	35,780	—	—
Percentage of net sales	**15%**	16%	—	—
Other	**19,657**	19,190	—	—
Percentage of net sales	**7%**	8%	—	—
Former segment				
Machined components	**—**	—	115,872	144,034
Percentage of net sales	**—**	—	45%	43%
Electronic devices and components	**—**	—	140,291	190,397
Percentage of net sales	**—**	—	55%	57%
Consumer business and others	**—**	—	—	—
Percentage of net sales	**—**	—	—	—
Gross profit	**¥ 66,994**	¥ 53,160	¥ 59,025	¥ 80,721
Percentage of net sales	**24.9%**	23.3%	23.0%	24.1%
Operating income	**22,163**	12,059	13,406	30,762
Percentage of net sales	**8.2%**	5.3%	5.2%	9.2%
Net income (loss)	**12,465**	6,662	2,441	16,303
Percentage of net sales	**4.6%**	2.9%	1.0%	4.9%
Comprehensive income	**4,009**	6,255	—	—
Percentage of net sales	**1.5%**	2.7%	—	—
Balance Sheet Data:				
Total assets	**¥291,092**	¥277,967	¥285,396	¥320,544
Total current assets	**144,178**	130,004	121,699	148,117
Total current liabilities	**116,863**	102,961	112,312	118,321
Short-term debt and current portion of long-term debt	**76,370**	64,755	80,990	65,352
Long-term debt	**56,843**	58,645	56,900	67,500
Working capital	**27,315**	27,043	9,387	29,796
Total net assets	**109,967**	108,381	106,762	131,730
Equity ratio	**37.1%**	38.5%	37.1%	40.7%
Per Share Data:				
Net income (loss):				
Basic	**¥ 32.61**	¥ 17.20	¥ 6.18	¥ 40.86
Diluted	**—**	—	—	—
Net assets	**282.03**	279.87	271.93	327.25
Cash dividends	**7.00**	7.00	7.00	10.00
Number of shares outstanding	**399,167,695**	399,167,695	399,167,695	399,167,695
Other Data:				
Return (net income) on equity	**11.6%**	6.3%	2.1%	11.9%
Return on total assets	**4.4%**	2.4%	0.8%	4.8%
Interest expense	**¥ 1,833**	¥ 1,898	¥ 2,646	¥ 4,402
Net cash provided by operating activities	**24,439**	30,408	37,064	46,893
Net cash used in investing activities	**(28,631)**	(12,733)	(24,554)	(23,461)
Free cash flow	**(4,192)**	17,675	12,510	23,432
Purchase of tangible fixed assets	**26,517**	10,495	18,429	24,888
Depreciation and amortization	**22,127**	22,492	25,027	27,502
Number of employees	**53,827**	49,091	48,443	50,549

Notes: 1. Effective from fiscal 2011, the Company has applied the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information." Figures before fiscal 2009 are based on former segments.

2. Effective from fiscal 2011, the Company has applied the "Accounting Standard for Presentation of Comprehensive Income."

3. Effective from fiscal 2007, the Company has applied the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" and the "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet." Accordingly, "shareholders' equity" and "return on shareholders' equity" have been restated as "net assets" and "return (net income) on equity," respectively. Also, figures after fiscal 2006 include minority interests in net assets.

4. In fiscal 2006, the Company restructured its PC keyboard business. As a consequence, the Company posted a business restructuring loss of ¥3,475 million in other expenses. The Company also recorded an impairment loss of ¥967 million in other expenses resulting from the adoption of impairment accounting for fixed assets.

							Millions of yen	Thousands of U.S. dollars (Note 8)
	2007	2006	2005	2004	2003	2002	2001	**2011**
	¥331,022	¥318,446	¥294,422	¥268,574	¥272,202	¥279,344	¥287,045	**$3,236,798**
	—	—	—	—	—	—	—	**1,296,948**
	—	—	—	—	—	—	—	
	—	—	—	—	—	—	—	**1,216,344**
	—	—	—	—	—	—	—	
	—	—	—	—	—	—	—	**487,099**
	—	—	—	—	—	—	—	
	—	—	—	—	—	—	—	**236,407**
	—	—	—	—	—	—	—	
	137,662	129,595	116,105	111,693	118,118	122,025	124,461	**—**
	42%	41%	39%	42%	43%	44%	43%	
	193,360	188,851	178,317	156,881	154,084	156,303	151,910	**—**
	58%	59%	61%	58%	57%	56%	53%	
	—	—	—	—	—	1,016	10,674	**—**
	—	—	—	—	—	0%	4%	
	¥ 73,378	¥ 68,511	¥ 62,403	¥ 65,313	¥ 68,702	¥ 73,283	¥ 84,117	**$ 805,704**
	22.2%	21.5%	21.2%	24.3%	25.2%	26.2%	29.3%	
	26,265	19,269	14,083	18,104	19,352	21,972	32,977	**266,552**
	8.0%	6.0%	4.8%	6.7%	7.1%	7.9%	11.5%	
	12,862	4,257	5,581	6,019	(2,434)	5,298	14,826	**149,919**
	3.9%	1.3%	1.9%	2.2%	(0.9)%	1.9%	5.2%	
	—	—	—	—	—	—	—	**48,215**
	—	—	—	—	—	—	—	
	¥354,784	¥349,862	¥332,217	¥314,915	¥320,069	¥350,037	¥346,965	**$3,500,815**
	156,059	153,564	147,295	138,953	127,447	131,548	137,106	**1,733,949**
	131,155	150,886	141,449	167,626	134,459	156,908	127,290	**1,405,446**
	71,761	91,772	87,112	119,643	81,262	103,461	66,531	**918,458**
	78,500	79,500	85,341	51,842	85,862	79,212	118,629	**683,621**
	24,905	2,678	5,846	(28,673)	(7,012)	(25,360)	9,816	**328,503**
	142,558	118,209	102,088	93,866	98,213	112,732	100,574	**1,322,523**
	40.1%	33.6%	30.7%	29.8%	30.7%	32.2%	29.0%	
							Yen	*U.S. dollars (Note 8)*
	¥ 32.23	¥ 10.67	¥ 13.93	¥ 15.08	¥ (6.10)	¥ 13.27	¥ 37.14	**$0.39**
	—	—	13.27	14.51	(4.85)	12.60	34.10	**—**
	356.75	294.65	255.82	235.21	246.08	282.42	251.96	**3.39**
	10.00	7.00	7.00	7.00	7.00	7.00	7.00	**0.08**
	399,167,695	399,167,695	399,167,695	399,167,695	399,167,695	399,167,695	399,167,695	
							Millions of yen	*Thousands of U.S. dollars (Note 8)*
	9.9%	3.9%	5.7%	6.3%	(2.3)%	5.0%	11.6%	
	3.7%	1.2%	1.7%	1.9%	(0.8)%	1.5%	4.0%	
	¥ 5,224	¥ 4,771	¥ 3,361	¥ 3,213	¥ 4,765	¥ 5,673	¥ 7,553	**$ 22,040**
	37,902	28,237	27,586	21,714	32,279	34,017	38,332	**293,917**
	(15,180)	(19,120)	(23,789)	(14,932)	(16,233)	(24,346)	(33,099)	**(344,338)**
	22,722	9,117	3,797	6,782	16,046	9,671	5,233	**(50,421)**
	16,969	21,897	23,060	18,825	16,382	26,245	39,877	**318,907**
	25,727	25,045	23,545	22,728	24,015	25,577	23,682	**266,105**
	49,563	47,526	48,473	43,839	43,002	43,729	45,193	

5. From fiscal 2005, the Company calculates free cash flow by subtracting net cash used in investing activities from net cash provided by operating activities. Figures for previous fiscal years have been restated using this calculation.
6. In fiscal 2003, significant declines in the prices of stocks listed on major markets resulted in the impairment of shares in financial institutions and losses on devaluation of investment securities amounted to ¥4,945 million. In line with projected losses resulting from its withdrawal from switching power supplies and related businesses, the Company posted losses on liquidation of switching power supplies and related businesses of ¥3,144 million. The Company also posted ¥1,206 million in environmental remediation expenses incurred by its U.S. subsidiaries.
7. In fiscal 2001, to concentrate resources and improve financial strength, the Company transferred its shares in subsidiary Actus Corporation, posting other income of ¥5,215 million in gains on sales of investment securities in affiliates. The Company also showed other expenses of ¥2,762 million for estimated loss on the withdrawal from the wheel business.
8. U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥83.15=US$1, the approximate rate of exchange on March 31, 2011.

Outline

Outline of Operations

Minebea's operations are divided into four segments, which are machined components, rotary components, electronic devices and components, and other. The machined components segment focuses on miniature and small-sized ball bearings, rod-end and spherical bearings, as well as fasteners and pivot assemblies. The segment accounted for 40.1% of consolidated net sales in the current fiscal year. The rotary components segment, which focuses on small precision motors, such as hard disk drive (HDD) spindle motors and fan motors, represented 37.6% of consolidated net sales. The electronic devices and components segment, which accounted for 15.0% of consolidated net sales, encompasses light-emitting diode (LED) backlights for liquid crystal displays (LCDs) and other lighting devices, as well as inverters and measuring components. Our other segment, producing PC keyboards, speakers and defense-related products, generated 7.3% of consolidated net sales.

Minebea's product development efforts are centered in Japan, Germany, Thailand and the United States. Our manufacturing network encompasses bases in Japan, Thailand, China, the United States, Singapore, Malaysia, Germany, the Czech Republic, the United Kingdom and others. Thailand, which is our largest manufacturing base, accounted for 51.0% of total consolidated production while China accounted for 23.7%. Combined production at all our bases in Asia (excluding Japan) represented 80.3% of total production while manufacturing outside of Japan accounted for 92.2% of total production.

We supply products to a number of key markets. Notable among these markets are the PC and peripheral equipment, OA and telecommunications equipment, automotive, household electrical appliances and aerospace sectors, which respectively accounted for 28.8%, 20.5%, 10.6%, 8.3% and 8.2% of our consolidated net sales. Many of our customers, who are manufacturers of these products, are expanding their production bases beyond Japan, Europe, and the Americas. This expansion has been directed particularly toward China and other parts of Asia, and accordingly, highest sales were to China, accounting for 26.6% of consolidated net sales. Our second-largest geographic market is Japan, which accounted for 23.5% of consolidated net sales. The third largest, Thailand, accounted for 13.6%. Remaining sales came from the United States, Europe, and other areas.

Under the organizational change implemented on June 1, 2009, we established business headquarters for each product category in order to organically link the functions of business units and headquarters. The change maximizes operational efficiency, provides a clear picture of operational results for each product category, and enables units producing similar products to share technological know-how. Business headquarters were created to serve as the administrative umbrellas for similar business departments and certain functions that previously fell under the direct oversight of corporate headquarters. Various production, engineering, sales and procurement operations were transferred to the new business headquarters in an effort to increase efficiency. In the current fiscal year, Minebea was composed of 5 business headquarters overseeing 17 business units, 4 divisions supporting these business units, 2 administrative divisions and the CSR Promotion Division.

In April 2011, the Circuit Components Business Unit of the Electronic Device & Component Business Headquarters, the HMSM Business Unit of the Rotary Component Business Headquarters and part of the EMS Department of the Engineering Support Division were integrated to form the EMS Business Unit under the Electronic Device & Component Business Headquarters. As a result of this organizational change, the number of business units now totals 16.

Outline of Strategies

We aim to bring profitability and corporate value to new heights by leveraging our vertically integrated manufacturing system that takes advantage of ultra-precision machining technologies, large-scale overseas volume production systems, and a well-developed R&D system. These systems, which we have established worldwide, will keep us ahead of the competition in manufacturing and technological excellence.

The path to the top, as well as sustainable growth, lies in the utilization of our group's collective vertical and horizontal strengths, increasing corporate values through M&A and alliances, developing new products, improving existing products, and constantly improving our production technologies, etc.

1. We will capitalize on untapped demand for ball bearings by taking steps to expand our production capacity as we strengthen our development capabilities and production technologies for high-growth miniature ball bearings. We will also focus on manufacturing and selling low-priced products and medium-size ball bearings to emerging markets.
2. We will lay the foundation needed to increase pivot assembly and ball bearing production in order to keep pace with the demand from HDD-related markets.
3. We will improve profitability in the spindle motor business by quickly responding to market demands while increasing production and cutting costs.
4. We will maximize growth for precision aircraft components by enhancing our existing rod-end bearing business and moving forward with our expansion into large mechanical parts for aircraft, an area involving sophisticated new processing technologies.
5. We will boost sales and earnings by substantially increasing production of LED backlights for LCDs.
6. We will turn fan motors and other precision small motors into the second most important pillar of our operations following bearings and bearing-related products.
7. We will increase the ratio of high-value-added products in all product categories and diversify offerings to serve a broader market.
8. We will strengthen our ability to provide flexible prices and satisfy customer needs by continually adapting our business portfolio and leveraging our organization-wide management resources, covering everything from manufacturing to sales and marketing, engineering as well as R&D.
9. We will harness the combined technological strengths in electronic devices and components as well as machined components to cultivate new markets and increase sales as we develop new hybrid component products.
10. We will strive to improve our performance by aggressively implementing thorough and full-scale cost reduction initiatives as well as bolstering our overall business structure.
11. We will continue to seek out for optimal production locations in order to minimize regional risks and be ready to expand production to multiple locations.

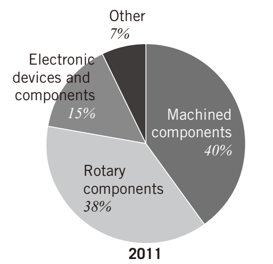
Financial Data by Segments

Years ended March 31	**2011**	2010	2009	2008	2007
					Millions of yen
Sales by reportable segments					
Machined components	**¥107,841**	¥ 99,291	¥ —	¥ —	¥ —
Rotary components	**101,139**	74,185	—	—	—
Electronic devices and components	**40,502**	35,780	—	—	—
Reportable segments total	**249,482**	209,256	—	—	—
Other	**19,657**	19,190	—	—	—
Total	**269,139**	228,446	—	—	—
Adjustment	**—**	—	—	—	—
Consolidated financial statements amount	**¥269,139**	¥228,446	¥ —	¥ —	¥ —
Income (loss) by reportable segments					
Machined components	**¥ 28,088**	¥ 20,634	¥ —	¥ —	¥ —
Rotary components	**(225)**	(1,827)	—	—	—
Electronic devices and components	**4,160**	5,385	—	—	—
Reportable segments total	**32,023**	24,192	—	—	—
Other	**498**	(685)	—	—	—
Total	**32,521**	23,507	—	—	—
Adjustment	**(10,358)**	(11,448)	—	—	—
Consolidated financial statements amount	**¥ 22,163**	¥ 12,059	¥ —	¥ —	¥ —
Assets by reportable segments					
Machined components	**¥ 77,796**	¥ 79,507	¥ —	¥ —	¥ —
Rotary components	**72,374**	64,488	—	—	—
Electronic devices and components	**18,280**	14,898	—	—	—
Reportable segments total	**168,450**	158,893	—	—	—
Other	**10,857**	19,911	—	—	—
Total	**179,307**	178,804	—	—	—
Adjustment	**111,785**	99,163	—	—	—
Consolidated financial statements amount	**¥291,092**	¥277,967	¥ —	¥ —	¥ —
Depreciation and amortization by reportable segments					
Machined components	**¥ 8,098**	¥ 8,017	¥ —	¥ —	¥ —
Rotary components	**7,895**	7,887	—	—	—
Electronic devices and components	**979**	953	—	—	—
Reportable segments total	**16,972**	16,857	—	—	—
Other	**1,291**	1,472	—	—	—
Total	**18,263**	18,329	—	—	—
Adjustment	**2,543**	2,811	—	—	—
Consolidated financial statements amount	**¥ 20,806**	¥ 21,140	¥ —	¥ —	¥ —
Increase in tangible and intangible fixed assets by reportable segments					
Machined components	**¥ 10,783**	¥ 4,122	¥ —	¥ —	¥ —
Rotary components	**9,490**	3,516	—	—	—
Electronic devices and components	**1,515**	592	—	—	—
Reportable segments total	**21,788**	8,230	—	—	—
Other	**825**	460	—	—	—
Total	**22,613**	¥ 8,690	—	—	—
Adjustment	**4,722**	2,391	—	—	—
Consolidated financial statements amount	**¥ 27,335**	¥ 11,081	¥ —	¥ —	¥ —

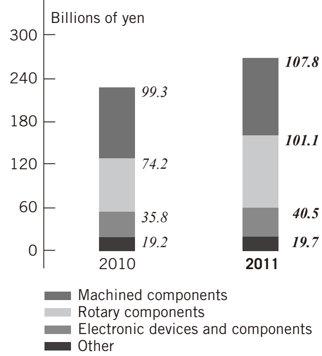
Note: Effective from fiscal 2011, the Company has applied the "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" and the "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information." Accordingly, figures before fiscal 2009 are not disclosed, as they cannot be compared to.

Results of Operations

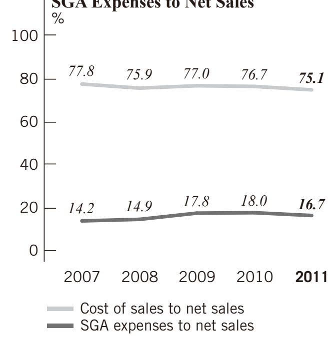
Ratio of Net Sales by Segment



Net Sales by Segment



Cost of Sales to Net Sales and SGA Expenses to Net Sales



Net Sales

Net sales increased ¥40,693 million, or 17.8%, year on year to total ¥269,139 million.

During the fiscal year ended March 31, 2011, the Japanese economy experienced a moderate recovery that included enhanced corporate earnings and a turnaround in capital spending despite relatively high unemployment rates. The massive earthquake that rocked northeastern Japan on March 11 and resulting tsunami that crippled the nuclear power plant at Fukushima not only devastated the areas of immediate impact but also sent shock waves rippling through the Japanese economy. In the wake of these multiple disasters it is difficult to make predictions about production, employment, consumption, etc. The U.S. economy also continued to rebound at a moderate pace. The comeback has been aided by economic stimulus measures designed to boost corporate earnings and the recovery of overseas economies, despite slow personal consumption due to continued high unemployment. The economies of Europe have generally turned around as a whole, although economic conditions vary widely from one country to another. China's active fiscal stimulus package boosted domestic spending and fueled growth of the Chinese economy while other Asian economies remained on track thanks to exports to China.

Against this backdrop, the Minebea Group has been actively working to cut costs, create high-value-added products, develop new technologies, and enhance its marketing approach in order to further increase profitability. While there had been an impact from appreciation of yen, market recovery and other business factors increased sales.

Cost of Sales

Cost of sales increased ¥26,859 million, or 15.3%, year on year to total ¥202,145 million. The year-on-year increase was due to increased sales buoyed by the recovering global economy as well as price hikes for steel and other materials. However, due to stringent cost cutting efforts, cost of sales as a percentage of net sales decreased by 1.6 percentage points from the previous fiscal year to 75.1%.

SGA Expenses

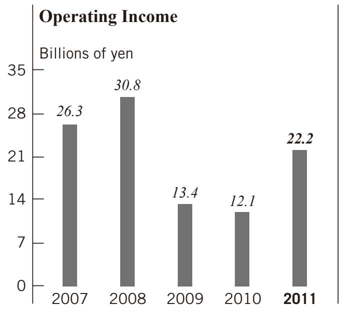
SGA expenses amounted to ¥44,831 million, up 9.1%, or ¥3,730 million year on year. Increased sales fueled by the worldwide economic upturn pushed SGA expenses up on a year-on-year basis. However, due to stringent expense reduction efforts, SGA expenses as a percentage of net sales decreased by 1.3 percentage points to 16.7%.

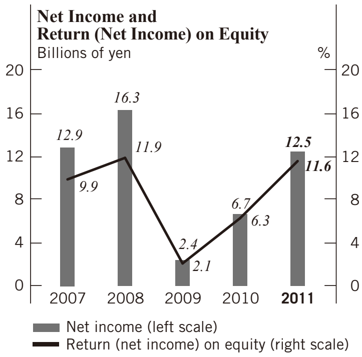
Cost of Sales and SGA Expenses

Millions of yen

Years ended March 31	**2011**	2010	2009	2008	2007
Net sales	**¥269,139**	¥228,446	¥256,163	¥334,431	¥331,022
Cost of sales	**202,145**	175,286	197,138	253,710	257,644
Cost of sales to net sales	**75.1%**	76.7%	77.0%	75.9%	77.8%
Gross profit	**66,994**	53,160	59,025	80,721	73,378
SGA expenses	**44,831**	41,101	45,619	49,959	47,113
SGA expenses to net sales	**16.7%**	18.0%	17.8%	14.9%	14.2%

*Segment classification has changed from the fiscal year ended March 31, 2011, due to the revision of accounting standards.





Operating Income

Operating income was up 83.8%, or ¥10,104 million, year on year to total ¥22,163 million. Operating income soared thanks to the global economic recovery that increased sales as well as improved efficiency as a result of production increases. The earnings increases came despite foreign exchange losses due to the weak U.S. dollar, strong yen and Thai baht, as well as hikes in steel and other material prices. Overall, operating margin rose 2.9 percentage points from the previous fiscal year to total 8.2%. For more information see: "Segment Information."

Other Income (Expenses)

The net balance of other income and expenses (net amounts of non-operating income/expenses and extraordinary profit/losses) amounted to loss of ¥3,507 million, which was ¥709 million higher than the previous fiscal year. Major items included interest expense of ¥1,833 million, impairment losses of ¥554 million, losses of ¥337 million on sales and disposals of fixed assets, spoilage expenses of ¥291 million and product warranty losses of ¥246 million.

Income before Income Taxes and Minority Interests

Income before income taxes and minority interests for the current fiscal year totaled ¥18,656 million, up 101.4%, or ¥9,395 million year on year.

Income Taxes

Income taxes increased ¥3,295 million year on year to total ¥5,544 million. Income taxes included current income taxes (i.e. corporate, inhabitant and business taxes) totaling ¥4,580 million and deferred income taxes of ¥964 million. The effective income tax rate increased from 24.3% to 29.7% since the U.S. income tax refund in the previous fiscal year did not occur in the current fiscal year and other factors.

Minority Interests

Minority interests amounted to ¥647 million, up ¥297 million from the previous fiscal year. This was primarily attributable to the improved earnings performance of the Minebea Motor Manufacturing Corporation joint venture.

Net Income

Net income increased ¥5,803 million, or 87.1%, year on year to total ¥12,465 million. Basic net income per share was ¥32.61, up ¥15.41 from ¥17.20 for the previous fiscal year.

Income

					Millions of yen
Years ended March 31	**2011**	2010	2009	2008	2007
Operating income	**¥22,163**	¥12,059	¥13,406	¥30,762	¥26,265
Operating margin	**8.2%**	5.3%	5.2%	9.2%	8.0%
Net balance of other income (expenses)	**(3,507)**	(2,798)	(6,572)	(5,508)	(6,742)
Net income	**12,465**	6,662	2,441	16,303	12,862
Net income to net sales	**4.6%**	2.9%	1.0%	4.9%	3.9%
Net income per share (Yen):					
Basic	**32.61**	17.20	6.18	40.86	32.23
Return (net income) on equity	**11.6%**	6.3%	2.1%	11.9%	9.9%
Return on total assets	**4.4%**	2.4%	0.8%	4.8%	3.7%

Financial Condition

Financial Policy and Liquidity

In the various businesses in which the Minebea Group operates, product and technological development is accelerating as global competition intensifies. We must continually look ahead as we sow the seeds of development with capital investments that will enable us to stay ahead of the pack as we reap a wide range of innovative solutions designed to answer our customers' needs. Maintaining a sound financial position and a high degree of flexibility in our financing activities will enable us to engage in these dynamic corporate activities and facilitate the strengthening of our technological development capabilities.

The Minebea Group sees strengthening its financial standing as a top priority and is taking various steps, such as reducing total assets, controlling capital investment and reducing liabilities, to strengthen its financial foundation. Net-interest bearing debt totaled ¥103,622 million as of the end of the current fiscal year. This figure indicates that we are right in the range of our medium-term target of ¥100 billion.

Seeking to ensure financing agility, we obtained ratings for short-term debt up to a maximum of ¥10 billion. As we work to create a stronger, more stable structure for fund procurement, we are striving to maintain solid relationships with key financial institutions in Japan as well as overseas. We have taken significant steps to manage liquidity risks, including establishment of a ¥10 billion commitment line.

Debt Ratings

As of May 2011	*Long-term debt*	*Short-term debt*
Japan Credit Rating Agency, Ltd.	A	J–1
Japan Rating and Investment Information, Inc.	A–	a–1

Capital Investment

We continually strive to make effective investments in light of changes in demand while proactively expanding our investments into growing business sectors. Capital investments totaled ¥27,335 million, up 146.7%, or ¥16,254 million, from the previous fiscal year. The breakdown of capital investment includes ¥10,783 million for the machined components segment, ¥9,490 million for the rotary components segment, ¥1,515 million for the electronic devices and components segment, ¥825 million for the other segment, and ¥4,722 million for corporate.

Investments in the machined components segment were designed to boost production capacity and streamline production facilities for bearings and other products in Thailand, China, Singapore and the United States. We also invested in HDD pivot assembly production facilities to increase production capacity. Investments in the rotary components segment included equipment purchases for HDD spindle motors production in Thailand as well as production equipment for information motors in Thailand, China and other areas. Investments in the electronic devices and components segment focused on manufacturing equipment used to produce LED backlights for LCDs and component production facilities in Thailand and China.

Capital investments included purchases of intangible fixed assets (¥343 million) and assets acquired through finance leases (¥248 million).

We plan to make investments totaling ¥25 billion in the next fiscal year with a focus on constructing and starting operations of a new ball bearing plant in Thailand, constructing a new motor plant in Cambodia, and boosting production of LED backlights for LCDs in China.

Dividends

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.

We have decided to use surplus earnings to pay cash dividends twice a year, once mid-year and once at the end of the fiscal year.

The year-end dividend is determined by way of a proposal that is voted on at the ordinary general meeting of shareholders, while the interim dividend is set by the Board of Directors.

In line with this policy, cash dividends for the fiscal year were set at ¥7.00 per share, including an interim dividend of ¥3.00 per share. As a result, the consolidated payout ratio was 21.5%.

We will make effective use of retained earnings to invest in initiatives designed to respond to changes in our operating environment, increase cost competitiveness as well as reinforce our technological and product development capabilities with a focus on responding to market needs.

Free Cash Flow

Free cash flow (calculated by adding cash flows from operating activities and cash flows from investment activities) totaled an outflow of ¥4,192 million, down ¥21,867 million from the previous fiscal year.

Cash Flows from Operating Activities

Cash flows provided by operating activities amounted to ¥24,439 million, down 19.6%, or ¥5,969 million, from the previous fiscal year. This drop was mainly due to a ¥10,207 million increase in inventories as well as a ¥2,907 million increase in trade payables, which respectively resulted in a year-on-year decrease of ¥12,493 million and ¥3,664 million in cash inflow. This decline was partially offset by a ¥9,395 million year-on-year increase in income before income taxes and minority interests, totaling ¥18,656 million.

Cash Flows from Investing Activities

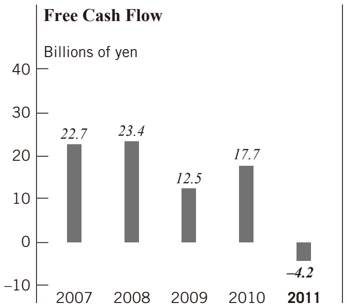
Cash flows used in investing activities increased 124.9%, or ¥15,898 million, to total ¥28,631 million. This was primarily due to a year-on-year increase of ¥16,022 million in payments for purchase of tangible fixed assets, which amounted to ¥26,517 million.

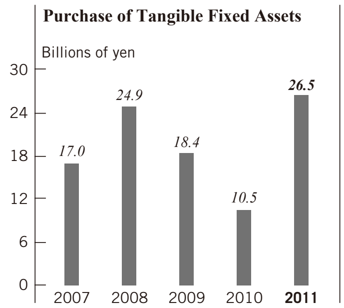
Cash Flows from Financing Activities

Cash flows provided by financing activities amounted to ¥7,984 million, cash outflow decreased by ¥28,102 million from the previous fiscal year. The main factor behind this change was a ¥24,941 million year-on-year net increase in short-term and long-term debt, which totaled ¥10,813 million.

Cash and Cash Equivalents

The balance of cash and cash equivalents at the end of the current fiscal year was ¥27,622 million. This represented a net increase of ¥2,767 million, resulting from net cash provided by financing activities exceeding outflow of free cash flow.





Free Cash Flow

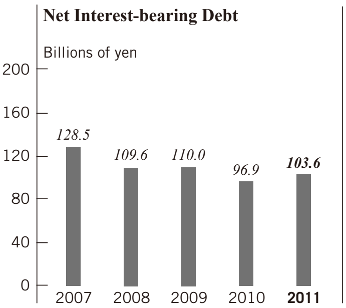
Millions of yen

Years ended March 31	**2011**	2010	2009	2008	2007
Net cash provided by operating activities	**¥24,439**	¥30,408	¥37,064	¥46,893	¥37,902
Net cash used in investing activities	**(28,631)**	(12,733)	(24,554)	(23,461)	(15,180)
Portion of above used in purchase of tangible fixed assets	**(26,517)**	(10,495)	(18,429)	(24,888)	(16,969)
Free cash flow	**(4,192)**	17,675	12,510	23,432	22,722

Assets, Liabilities and Net Assets

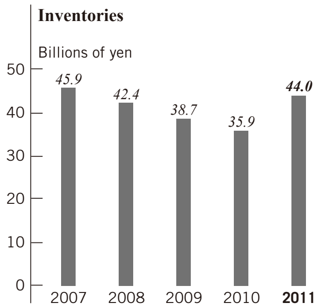
Total assets at the end of the current fiscal year amounted to ¥291,092 million, up 4.7%, or ¥13,125 million, year on year. The major reasons for this uptick include an increase in inventories as well as an upswing in notes and accounts receivable–trade due to recovery of production and sales.

Net assets were ¥109,967 million while equity totaled ¥107,918 million. This led to an equity ratio drop of 1.4 percentage points year on year, falling to 37.1%. Net interest-bearing debt (total debt minus cash and cash equivalents and time deposits) increased 6.9%, or ¥6,729 million, to total ¥103,622 million. The net debt-to-equity ratio remained flat at 0.9 times.



Assets

Cash and cash equivalents increased ¥2,767 million from the end of the previous fiscal year to reach ¥27,622 million. Notes and accounts receivable–trade rose ¥3,837 million to reach ¥56,021 million, reflecting the increase in net sales. Inventories increased ¥8,086 million year on year to total ¥43,998 million due to additions to inventories needed to fill increasing orders. Deferred tax assets (short-term) fell ¥2,000 million to ¥3,779 million.



As a result, total current assets increased by 10.9%, or ¥14,174 million, to total ¥144,178 million.

Total tangible fixed assets amounted to ¥124,096 million, down 0.1%, or ¥132 million. Purchase of tangible fixed assets for the current fiscal year totaled ¥26,517 million while depreciation and amortization amounted to ¥20,806 million.

Total intangible fixed assets totaled ¥7,430 million, down 23.2%, or ¥2,242 million.

Investments and other assets totaled ¥15,388 million, up 9.4%, or ¥1,325 million.

Consequently, total fixed assets amounted to ¥146,914 million, a decrease of 0.7%, or ¥1,049 million.

Liabilities

Notes and accounts payable–trade, totaling ¥18,631 million, were up ¥2,167 million from the end of the previous fiscal year due to increased purchases for increased production. Short-term debt decreased by ¥583 million to ¥52,238 million. The current portion of long-term debt increased by ¥11,032 million to hit ¥24,132 million due to the transfer from long-term liabilities of loans payable and bonds of ¥12,632 million and ¥11,500 million, respectively, partially offset by repayments of loans payable and bonds of ¥3,100 million and ¥10,000 million, respectively. As a result, total current liabilities increased by ¥13,902 million, or 13.5%, to total ¥116,863 million.

Long-term debt decreased by ¥1,802 million to ¥56,843 million, due to the transfer of bonds to current liabilities by ¥11,500 million, despite increase of loans payable by ¥9,698 million which was mainly due to new loans. As a result, total long-term liabilities fell by 3.5%, or ¥2,363 million, to total ¥64,262 million.

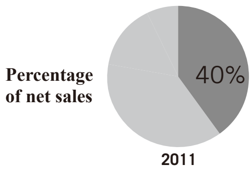
Net Assets

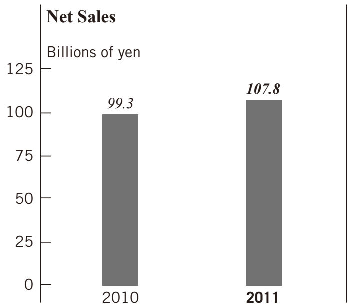
Total net assets increased by 1.5%, or ¥1,586 million, to total ¥109,967 million. This increase was due to a ¥12,387 million increase in retained earnings, despite the reduced value of assets held by overseas affiliates when calculated in yen by ¥8,831 million. Minority interests in consolidated subsidiaries increased by 38.0%, or ¥564 million, to reach ¥2,049 million.

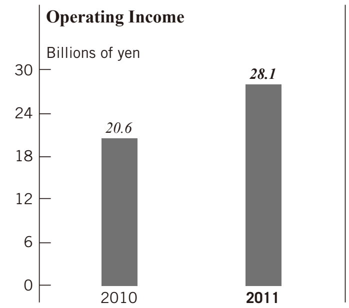
Financial Position

					Millions of yen
As of March 31	**2011**	2010	2009	2008	2007
Total assets	**¥291,092**	¥277,967	¥285,396	¥320,544	¥354,784
Cash and cash equivalents	**27,622**	24,855	27,895	23,281	21,731
Time deposits	**1,969**	1,652	—	—	—
Total current assets	**144,178**	130,004	121,699	148,117	156,059
Inventories	**43,998**	35,912	38,737	42,401	45,904
Total current liabilities	**116,863**	102,961	112,312	118,321	131,155
Working capital	**27,315**	27,043	9,387	29,796	24,905
Interest-bearing debt	**133,213**	123,400	137,890	132,852	150,261
Net interest-bearing debt	**103,622**	96,893	109,995	109,571	128,530
Total net assets	**109,967**	108,381	106,762	131,730	142,558
Equity ratio	**37.1%**	38.5%	37.1%	40.7%	40.1%
Debt-to-equity ratio (Times)	**1.2**	1.1	1.3	1.0	1.1
Net debt-to-equity ratio (Times)	**0.9**	0.9	1.0	0.8	0.9
Net assets per share (Yen)	**282.03**	279.87	271.93	327.25	356.75

Machined Components







Net sales increased ¥8,550 million, or 8.6%, year on year to total ¥107,841 million. Operating income rose 36.1%, or ¥7,454 million, year on year to hit ¥28,088 million. Operating margin, calculated using sales to external customers, was up 5.2 percentage points year on year at 26.0%. Increases in both revenue and income were in part a result of our ongoing efforts to lower costs via improvements to basic technologies, product technologies and manufacturing techniques. Other factors behind the uptick include robust sales buoyed by the rebounding global economy and enhanced efficiency that accompanied the boost in production.

Major Products and Applications and Minebea's Global Market Share

Major Products	*Major Applications*	*Global Market Share**
Miniature and small-sized ball bearings	Small motors, household electrical appliances, information and telecommunications equipment, automobiles, industrial machinery	60%
Rod-end and spherical bearings	Aircraft	50%
Fasteners	Aircraft, automobiles	—
Pivot assemblies	HDDs	60%

*Global market shares are based on units shipped except for rod-end and spherical bearings, which is based on sales value. Minebea estimates market shares using information collected on its own and through independent market research firms.

Business Activities and Ongoing Efforts

Sales of miniature and small-sized ball bearings (our mainstay products) as well as rod-end and spherical bearings were lifted by an upbeat market. Pivot assemblies sales remained flat due to the strong yen despite the increased sales volume to the hard disk industry, our primary market.

We continued to lower manufacturing costs in the ball bearings business via streamlining as well as initiatives designed to improve production yield. Our commitment to get back to the basics of manufacturing resulted in a real improvement in business performance as we looked for ways to bolster the development of basic technologies. We will continue to work on boosting production in order to meet today's high demand while moving ahead with plans to build a new plant in Thailand. The new plant will be used to mass produce ball bearings for pivot assemblies as well as low-priced products for emerging markets and medium-size ball bearings. We are working to strengthen our sales network in the emerging markets of Brazil, China and India.

In addition to responding to the growing demand for rod-ends and fasteners in the aerospace industry, we are expanding our product range beyond just rod-end and spherical bearings to encompass ball bearing parts for engine peripherals and large mechanical parts that entail more sophisticated processing technologies. We are now in the process of shifting some of our production operations for rod-end and spherical bearings from Japan and the United Kingdom to Thailand.

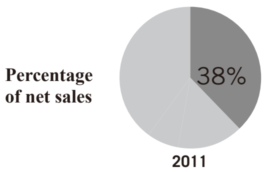
A number of measures have been implemented to increase pivot assembly production and lower the cost of manufacturing by improving yield. While the HDD market continues to lag we deemed it best to halt construction of a new pivot assembly plant.

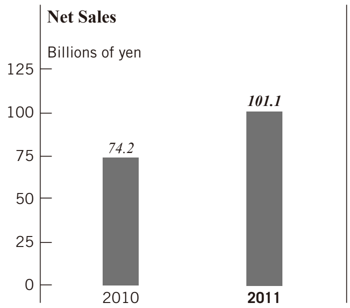
Major Products

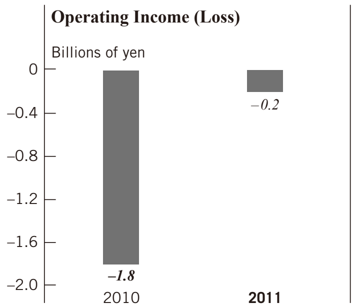
Ball bearings   Rod-end bearings   Spherical bearings   Roller bearings   Bushings   Pivot assemblies
Mechanical assemblies   Aerospace fasteners   Automotive fasteners

*Segment classification has changed from the fiscal year ended March 31, 2011, due to the revision of accounting standards.

Rotary Components







Net sales were up ¥26,954 million, or 36.3%, year on year to total ¥101,139 million. Operating losses totaled ¥225 million, ¥1,602 million less than what it was in the previous fiscal year. Operating margin, calculated using sales to external customers, improved 2.3 percentage points to hit –0.2%. Net sales increased significantly thanks to the global economic recovery as well as the addition of the brushless DC motor line, which we took over from Panasonic Corporation in April 2010. Although a drop in sales of precision motors had a significant impact on our bottom line, operating loss was diminished by ongoing cost reduction efforts for information motors (excluding vibration and brush DC motors) and improved performance of HDD spindle motors on top of the positive effect of the newly acquired brushless DC motor business.

Major Products and Applications and Minebea's Global Market Share

Major Products	*Major Applications*	*Global Market Share**
Information motors (fan motors, stepping motors, brush DC motors, vibration motors, brushless DC motors)	PCs and servers, information and telecommunications equipment, household electrical appliances, cellular phones, automobiles, industrial machinery, office automation equipment	2–66%, depending on product
HDD spindle motors	HDDs	—
Precision motors	Automobiles	—
Micro actuators	Digital still cameras, automobiles	—

*Global market shares are based on units shipped. Minebea estimates market shares using information collected on its own and through independent market research firms.

Business Activities and Ongoing Efforts

Sales of HDD spindle motors exceeded the previous fiscal year's level due to improved market conditions and marketing efforts. Sales of information motors (excluding vibration and brush DC motors) were up thanks to the addition of brushless DC motors to our product line as well as better market conditions for information equipment makers.

We are introducing some new products to our information motors business as we pursue greater product synergy. The brushless DC motor products taken over from Panasonic Corporation were incorporated into our product line in April 2010.

Our efforts in the area of HDD spindle motors continue to focus on stepping up production and sales of high-growth, high-priced 2.5-inch HDD models as well as servers while we work to improve yield as well as R&D capabilities.

In April 2011, our Cambodian plant, which is going to be one of our production bases for small motors, went on line at its temporary facility. Cambodia awarded us its Pioneer Incentive, giving us the exclusive right to manufacture small motors with an output of 50 watts or less for the first five years of production. We had a groundbreaking ceremony in May 2011 and plan to complete the plant by the end of 2011. The Cambodian plant will be a production base specializing in the manual assembly of small motors for office automation equipment, household electrical appliances and digital equipment using parts supplied by our plants in neighboring Thailand and Malaysia. Our overall aim is to enhance our production efficiency in Asia.

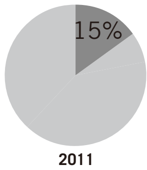
Major Products

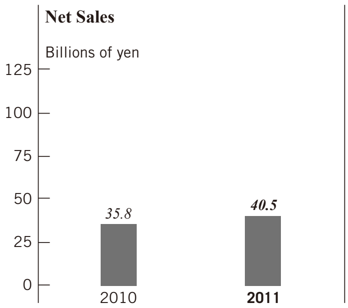
Fan motors   Permanent magnet (PM)-type stepping motors   Hybrid-type stepping motors   Brush DC motors   Vibration motors   Brushless DC motors   HDD spindle motors   Precision motors   AC propeller fan   AC radial fan

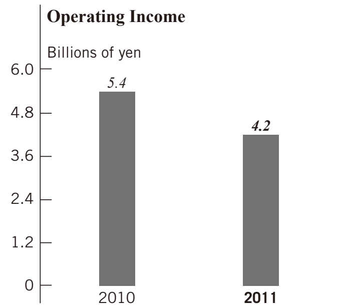
*Segment classification has changed from the fiscal year ended March 31, 2011, due to the revision of accounting standards.

Electronic Devices and Components

Percentage of net sales







Net sales were up ¥4,722 million, or 13.2%, year on year to total ¥40,502 million. Operating income fell 22.7%, or ¥1,225 million, to ¥4,160 million. Operating margin, calculated using sales to external customers, was 10.3%, down 4.8 percentage points from the previous fiscal year. Although improved market conditions and aggressive sales efforts boosted sales of LED backlights for LCDs, resulting in an increase in net sales, operating income declined due to the discontinuation of some measuring component products.

Major Products and Applications and Minebea's Global Market Share

Major Products	*Major Applications*	*Global Market Share**
LED backlights for LCDs	Cellular phones, automobiles, digital still cameras, portable digital information terminals	13%
Measuring components	Industrial machinery, automobiles	—

*Global market shares are based on units shipped. Minebea estimates market shares using information collected on its own and through independent market research firms.

Business Activities and Ongoing Efforts

Sales of LED backlights for LCDs were buoyed by robust sales in the smartphone and cellular phone markets. Sales of measuring components dipped slightly and profits also declined due to the discontinuation of some measuring component products.

We are expanding the electronic devices business' product lineup as well as the production of LED backlights for small and medium-sized LCDs. Now that the Suzhou plant in China went on line in April 2011, we will work to boost production capacity and expand the product range in order to meet the high demand in the market.

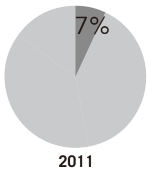
We are also developing new products and markets in the measuring components business.

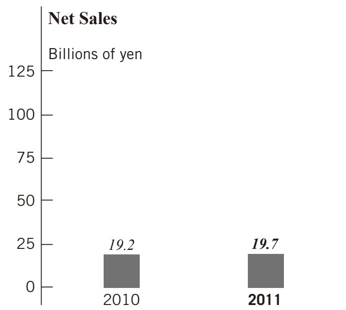
Major Products

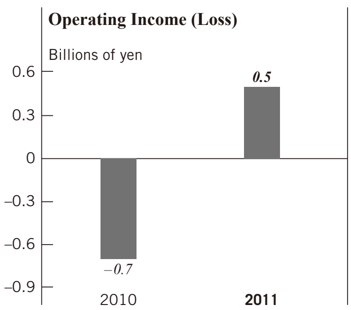
LED backlights Backlight inverters LED drivers Measuring components Hybrid components

Other

Percentage of net sales







Net sales were up ¥467 million, or 2.4%, year on year to total ¥19,657 million. The turnaround in the keyboard business brought operating income up ¥1,183 million year on year for a total of ¥498 million. Operating margin, calculated using sales to external customers, was up 6.1 percentage points at 2.5%.

Major Products and Applications and Minebea's Global Market Share

Major Products	*Major Applications*	*Global Market Share**
Notebook PC keyboards	Notebook PCs	3%
Speakers	Audio equipment, PCs, automobiles	—

*Global market shares are based on units shipped. Minebea estimates market shares using information collected on its own and through independent market research firms.

Business Activities and Ongoing Efforts

Sales of special devices and keyboards were relatively good compared with the previous fiscal year due to better market conditions. We were able to successfully turn around the keyboard business. Our PC keyboards business is now developing high-value-added products, lowering costs and enhancing efficiency. We are working on expanding speaker sales as we focus on specializing in high-added-value products.

Major Products

PC keyboards Speakers Special devices

*Segment classification has changed from the fiscal year ended March 31, 2011, due to the revision of accounting standards.

Research and Development

Minebea manufactures and sells a wide range of products around the world. These include ball bearings, precision machinery components that incorporate ball bearings, aircraft components such as rod-end bearings and high-end fasteners, as well as electronic components used in state-of-the-art electronics equipment. Minebea and Minebea Group companies work closely together on R&D in each of these areas.

The Minebea Group is also dedicated to the development of hybrid component products that integrate the elemental technologies that go into making its machined components, electronic devices and components. In March 2010, Minebea released "COOL LEAF," a next generation input device combining various technologies cultivated in the process of design and development of keyboards (input devices), lighting devices (backlight modules employing light guide plates) and measuring components (force sensors).

Minebea has development bases in Japan (Karuizawa Plant and Hamamatsu Plant), Thailand, China, the United States, and Europe. These bases leverage their individual expertises and the synergy between them to quickly move products through the R&D pipeline and bring new business opportunities to light. Our facilities in Karuizawa, Thailand and China have all been ISO17025 certified and are moving the entire Minebea Group forward in analyzing and reducing emissions of hazardous substances targeted by environmental regulations, including those banned by the European Union's Restriction of Hazardous Substances (RoHS) directive.

R&D expenses for the Minebea Group amounted to ¥7,895 million. This included ¥1,639 million allocated to general basic research at material science laboratories in Thailand and China, which could not be apportioned to any individual segment.

R&D activities for each segment include:

Machined Components

R&D in this segment remained geared toward our mainstay bearing products (i.e. ball and rod-end bearings) with a focus on developing basic tribological technologies for materials and lubricants, etc., as well as on oil fill, electromechanical machining (ECM), diamond-like carbon (DLC) and other processes. We are working with a keen eye to responding to the needs of manufacturers in emerging areas of the IT, home electrical appliances, automobiles and aerospace industries. Reliability engineering aimed at minimizing particle generation, extending product life, enhancing electroconductivity, etc. as well as applied engineering is at the heart of our work in this area.

Work is also moving ahead to develop ever-smaller miniature ball bearings. We succeeded in developing the world's smallest miniature ball bearings, boasting an outer ring diameter of 1.5 mm and an inner ring diameter of just 0.5 mm.

Recent progress in the area of aerospace industry bearings includes the development and approval of tie-rod mechanical assemblies, trunnion bearings for main landing gear and a wide range of bearings that will go into flight control systems for new models released by U.S. and European aircraft manufacturers. These R&D successes are built on the same technology used in our rod-end bearings.

R&D expenses for the machined components segment totaled ¥1,265 million.

Rotary Components

Our mainstay motor products in this segment include information motors (fan motors, stepping motors, brushless DC motors, vibration motors, and brush DC motors) and HDD spindle motors. We are working to enhance our basic technologies such as various core analysis technologies, control technologies and materials technologies, as well as to enhance our product development. Our aim is to be the first to launch a range of state-of-the-art products that respond to growing customer requirements for compact, highly efficient (low energy consumption), quiet, and reliable components designed for various types of motors and applications.

We developed a stepping motor unit whose external diameter of just 3.2 mm makes it the smallest stepping motor in the world. This unit is currently undergoing assessment for a variety of applications. R&D work on magnetic application products harnesses our expertise in materials technology, core technologies and product-related technologies. Ongoing work in this area continues to yield such outstanding products as rare earth bond magnets and heat-resistant magnets for use in high-performance motors.

The majority of HDDs now use perpendicular magnetic recording to achieve higher recording densities. This means we have to be more careful than ever in ensuring that every component is perfectly clean. That is why we have put so much effort into developing clean manufacturing technologies that ensure a high level of cleanliness in our mainstay HDD-related products, including our bearing units, spindle motors and base plates.

Another success involves R&D combining our motor, fan, electronics and other technologies that has produced the innovative heat management system module (HMSM).

R&D expenses in the rotary components segment totaled ¥3,178 million.

Electronic Devices and Components

Progress in the area of display-related products includes the development of a new high-brightness, high-efficiency LED backlight for LCDs targeting the cellular phone, smartphone, tablet PC, handheld game console, and digital still camera markets. After developing a plastic molding technology capable of accommodating larger, thinner optical devices and increasingly fine optical patterns we have one more development to add to our list of outstanding technological achievements that includes ultra precision machining, mold production and molding technologies. This development gives us the technological foundation needed to expand into the area of LED backlights for notebook and desktop PC monitors, for which LCDs have become the preferred type of display.

Advances in electronics-related products includes state-of-the-art LED backlight driver circuits for large-sized LCD TVs and driver circuits for LED lighting applications. Our shift from analog to digital control circuits will significantly reduce the number of parts used as well as improve control precision, enabling us to reduce engineering lead time.

R&D expenses in the electronic devices and components segment totaled ¥1,259 million.

Other

Our main products in the other businesses are PC keyboards, speakers and defense related products.

R&D expenses in this segment totaled ¥554 million.

Outlook for the Next Fiscal Year and Risk Management

Outlook for the Next Fiscal Year (Fiscal Year Ending March 2012)
(as of May 2011)

In the aftermath of the Tohoku Earthquake in March we expect the Japanese economy to stay low while the impact of delays in component procurement and halted production of the automobile and other industries will continue to be felt throughout global economy.

The outlook for the future remains uncertain as materials and components shortages cast doubt over the markets we supply. Since these circumstances make it extremely difficult to accurately predict future performance, we have calculated our forecast figures within ranges as follows:

Net sales	¥260,000 million – ¥285,000 million
Operating income	¥ 21,000 million – ¥ 24,500 million
Net income	¥ 11,000 million – ¥ 13,000 million

We will revise these figures when the outlook for the future becomes clearer.

Outlook by segment for the full year is as follows:

Machined Components
We expect demand for ball bearings, our primary product line, to increase in major markets during the latter half of the fiscal year despite the negative impact of the earthquake during the first half. We will continue to aggressively expand sales of ball bearings to the automobile, information and telecommunications equipment industries as we enhance production capacity with our new production facility in Thailand. Expanding sales and cutting costs will give us the economies of scale in manufacturing needed to boost performance even further.

Rotary Components
We will work to tap into new markets for information motors and continue to increase production efficiency, improve product mix, and start mass production at the newly launched Cambodian plant with an eye to boosting sales. While the HDD spindle motors business currently has only a small share of the market, we intend to improve performance through cost reductions. Although the outlook for our major customers in the hard disk industry is clouded by murky market waters we will do our best to chart a course forward. We look forward to turning the rotary component segment around as these business operations rebound during the second half of the fiscal year.

Electronic Devices and Components
We will work to quickly launch the Suzhou plant in China for producing LCD backlights and boost production and sales with an eye to garnering the top share of the market.

Other
Both the special devices and keyboard business operations are expected to be steady. We will now concentrate on improving the ailing speaker business to boost our bottom line.

Risk Management

Minebea recognizes a variety of risks and uncertainties that have the potential to affect its operating results and/or financial position. Like all publicly traded companies in Japan, Minebea is required to file an annual securities report (*Yuka Shoken Hokokusho*). In this report, filed on June 29, 2011, we recognized the following risks:

1. Market risk
Principal markets for Minebea products, including those for PCs and peripheral equipment, information and telecommunications equipment and household electrical appliances, are intensely competitive and subject to significant fluctuations in demand. Our operating results and financial position are vulnerable to these fluctuations.

2. Foreign exchange risk
A significant portion of our consolidated net sales and production are outside of Japan. Our business is thus vulnerable to risks associated with fluctuations in foreign currency exchange rates. We have entered into various currency exchange contracts and other derivative transactions to hedge these risks but fluctuations in foreign currency exchange rates may affect our operating results and/or financial position over the long term.

3. Research and development risk
While we focus on R&D to introduce a constant stream of new, high-quality products, there is the risk that significant R&D investments may not pay off. There are simply no guarantees that R&D efforts will come to fruition.

4. Legal risk
The Legal Department is responsible for managing risk related to lawsuits and other legal actions brought against Minebea Group operations in Japan and/or overseas. We are subject to the risk that lawsuits or other actions with the potential to affect our operating results and/or financial position may be brought against us in the future.

5. Risk related to price negotiations
We continue to face intense competition from lower-priced products made overseas. We are subject to the risk that we will be unable to maintain or increase our share should market needs shift to low-quality, low-priced products.

6. Risk related to raw materials and logistics costs
We purchase a variety of materials from external suppliers and strive to ensure optimal purchase inventory volumes for such materials as well as access to steady supplies of materials with stable prices. This leaves us open to the risk of rising prices for such materials that could potentially affect our operating results and/or financial position in the future.

7. Latent risk related to operations overseas
The Minebea Group's manufacturing activities are conducted overseas such as Thailand, China, and Singapore. While considerable time has passed since we established our operations in these countries, overseas operations are always subject to the following risks (any of which could have a negative impact on our operating results and/or financial position): (a) unexpected changes to laws or regulations, (b) difficulty in attracting and securing qualified human resources, (c) acts of terrorism or war, or other acts that may disrupt social order.

Consolidated Balance Sheets

As of March 31, 2011 and 2010

Assets	Millions of yen 2011	Millions of yen 2010	Thousands of U.S. dollars (Note 3) 2011
Current Assets:			
Cash and cash equivalents	¥ 27,622	¥ 24,855	$ 332,190
Time deposits	1,969	1,652	23,679
Notes and accounts receivable:			
Trade	56,021	52,184	673,732
Other	2,173	2,443	26,136
	58,194	54,627	699,868
Allowance for doubtful receivables	(148)	(129)	(1,779)
Total notes and accounts receivable	58,046	54,498	698,089
Inventories (Note 2-e)	43,998	35,912	529,139
Deferred tax assets (Note 6)	3,779	5,779	45,452
Prepaid expenses and other current assets (Note 2-g)	8,764	7,308	105,400
Total current assets	144,178	130,004	1,733,949
Tangible Fixed Assets (Notes 2-i and 5)**:**			
Land	13,139	14,016	158,023
Buildings and structures	93,767	97,149	1,127,681
Machinery and transportation equipment	230,986	230,214	2,777,943
Tools, furniture and fixtures	43,025	44,007	517,440
Leased assets	1,695	1,872	20,382
Construction in progress	4,854	1,651	58,375
	387,466	388,909	4,659,844
Accumulated depreciation	(263,370)	(264,681)	(3,167,399)
Total tangible fixed assets	124,096	124,228	1,492,445
Intangible Fixed Assets:			
Goodwill (Note 2-k)	5,555	7,001	66,808
Other	1,875	2,671	22,551
Total intangible fixed assets	7,430	9,672	89,359
Investments and Other Assets:			
Investments in affiliate	—	146	—
Investments in non-consolidated subsidiaries	1,328	—	15,977
Investment securities (Note 2-g)	6,675	7,380	80,275
Long-term loans receivable	20	23	236
Deferred tax assets (Note 6)	5,279	4,923	63,490
Other (Note 2-h)	2,100	1,606	25,257
	15,402	14,078	185,235
Allowance for doubtful receivables	(14)	(15)	(173)
Total investments and other assets	15,388	14,063	185,062
Total Assets	¥ 291,092	¥ 277,967	$ 3,500,815

The accompanying notes to consolidated financial statements are an integral part of these statements.

Liabilities and Net Assets	Millions of yen 2011	2010	Thousands of U.S. dollars (Note 3) 2011
Current Liabilities:			
Short-term debt (Note 4)	**¥ 52,238**	¥ 51,655	**$ 628,236**
Current portion of long-term debt (Note 4)	**24,132**	13,100	**290,222**
Notes and accounts payable:			
Trade	**18,631**	16,464	**224,062**
Other	**4,644**	4,775	**55,855**
Total notes and accounts payable	**23,275**	21,239	**279,917**
Income taxes payable (Note 6)	**2,116**	1,831	**25,444**
Lease obligations (Note 4)	**365**	471	**4,389**
Accrued expenses and other current liabilities (Note 6)	**14,737**	14,665	**177,238**
Total current liabilities	**116,863**	102,961	**1,405,446**
Long-term Liabilities:			
Long-term debt (Note 4)	**56,843**	58,645	**683,621**
Lease obligations (Note 4)	**404**	492	**4,855**
Other (Notes 2-h and 6)	**7,015**	7,488	**84,370**
Total long-term liabilities	**64,262**	66,625	**772,846**
Total liabilities	**181,125**	169,586	**2,178,292**
Contingent Liabilities (Note 15)			
Net Assets (Note 11)**:**			
Shareholders' equity:			
Common stock			
Authorized: 1,000,000,000 shares			
Issued: March 31, 2011—399,167,695 shares			
March 31, 2010—399,167,695 shares	**68,259**	68,259	**820,913**
Capital surplus	**94,823**	94,768	**1,140,387**
Retained earnings	**38,536**	26,149	**463,450**
Treasury stock	**(6,281)**	(6,571)	**(75,534)**
Total shareholders' equity	**195,337**	182,605	**2,349,216**
Accumulated other comprehensive income:			
Differences on revaluation of available-for-sale securities	**(497)**	92	**(5,984)**
Deferred gains or losses on hedges	**0**	7	**6**
Foreign currency translation adjustments	**(84,639)**	(75,808)	**(1,017,903)**
Unfunded retirement benefit obligation of foreign subsidiaries	**(2,283)**	—	**(27,457)**
Total accumulated other comprehensive income	**(87,419)**	(75,709)	**(1,051,338)**
Minority interests in consolidated subsidiaries	**2,049**	1,485	**24,645**
Total net assets	**109,967**	108,381	**1,322,523**
Total Liabilities and Net Assets	**¥291,092**	¥277,967	**$3,500,815**

Consolidated Statements of Income

Years ended March 31, 2011, 2010 and 2009

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2011	2010	2009	**2011**
Net Sales	**¥269,139**	¥228,446	¥256,163	**$3,236,798**
Cost of Sales (Note 10)	**202,145**	175,286	197,138	**2,431,094**
Gross profit	**66,994**	53,160	59,025	**805,704**
Selling, General and Administrative Expenses (Notes 2-k and 10)	**44,831**	41,101	45,619	**539,152**
Operating income	**22,163**	12,059	13,406	**266,552**
Other Income (Expenses):				
Interest income	**230**	206	418	**2,769**
Equity in net income (loss) of affiliate	**4**	(8)	(3)	**50**
Interest expenses	**(1,833)**	(1,898)	(2,646)	**(22,040)**
Foreign currency exchange losses	**(286)**	(217)	(264)	**(3,443)**
Gains (losses) on sales and disposals of fixed assets	**(337)**	(212)	(424)	**(4,053)**
Gains on sales of investment securities (Note 2-g)	**—**	32	—	**—**
Losses on sales of investments in subsidiaries and affiliates	**(38)**	—	—	**(462)**
Gains (losses) on liquidation of subsidiaries and affiliates	**—**	(159)	311	**—**
Reversal of provision for business restructuring losses	**20**	—	49	**244**
Reversal of warranty reserve	**48**	—	—	**576**
Impairment losses (Note 5)	**(554)**	(31)	(23)	**(6,660)**
Product warranty losses	**(246)**	(511)	(146)	**(2,955)**
Provision for environmental remediation expenses	**(204)**	—	(744)	**(2,453)**
Business restructuring losses	**(106)**	(75)	(1,793)	**(1,274)**
Spoilage expenses	**(291)**	—	—	**(3,502)**
Special severance payments (Note 2-h)	**—**	—	(985)	**—**
Other, net	**86**	75	(322)	**1,027**
	(3,507)	(2,798)	(6,572)	**(42,176)**
Income before Income Taxes and Minority Interests	**18,656**	9,261	6,834	**224,376**
Income Taxes (Note 6):				
Current (including enterprise tax)	**4,580**	4,051	4,433	**55,083**
Income tax refund	**—**	(1,912)	—	**—**
Reversal of prior year's income taxes	**—**	—	(1,028)	**—**
Deferred	**964**	110	818	**11,594**
	5,544	2,249	4,223	**66,677**
Income before Minority Interests	**13,112**	7,012	2,611	**157,699**
Minority Interests	**647**	350	170	**7,780**
Net Income	**¥ 12,465**	¥ 6,662	¥ 2,441	**$ 149,919**
			Yen	*U.S. dollars (Note 3)*
Per Share Data (Note 12):				
Net income (basic)	**¥32.61**	¥17.20	¥6.18	**$0.39**
Cash dividends applicable to the year	**7.00**	7.00	7.00	**0.08**

Consolidated Statement of Comprehensive Income

Year ended March 31, 2011

	Millions of yen	Thousands of U.S. dollars (Note 3)
	2011	**2011**
Income before Minority Interests	**¥13,112**	**$157,699**
Other Comprehensive Income:		
Difference on revaluation of available-for-sale securities	**(589)**	**(7,090)**
Deferred gains or losses on hedges	**(7)**	**(86)**
Foreign currency translation adjustments	**(8,913)**	**(107,192)**
Unfunded retirement benefit obligation of foreign subsidiaries	**406**	**4,884**
Total other comprehensive income	**(9,103)**	**(109,484)**
Total Comprehensive Income	**¥ 4,009**	**$ 48,215**
Comprehensive income attributable to:		
Comprehensive income attributable to owners of the parent	**3,445**	**41,430**
Comprehensive income attributable to minority interests	**564**	**6,785**

The accompanying notes to consolidated financial statements are an integral part of these statements.

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2011, 2010 and 2009

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2011	2010	2009	**2011**
Shareholders' Equity				
Common stock				
Balance at previous fiscal year-end	**¥ 68,259**	¥ 68,259	¥ 68,259	**$ 820,913**
Changes during current fiscal year				
Total changes during current fiscal year	**—**	—	—	**—**
Balance at current fiscal year-end	**68,259**	68,259	68,259	**820,913**
Capital surplus				
Balance at previous fiscal year-end	**94,768**	94,757	94,757	**1,139,719**
Changes during current fiscal year				
Disposal of treasury stocks	**55**	11	(0)	**668**
Total changes during current fiscal year	**55**	11	(0)	**668**
Balance at current fiscal year-end	**94,823**	94,768	94,757	**1,140,387**
Retained earnings				
Balance at previous fiscal year-end	**26,149**	20,819	28,168	**314,489**
Reclassification of unfunded retirement benefit obligation of foreign subsidiaries	**2,689**	—	—	**32,341**
Changes during current fiscal year				
Decrease in retained earnings from application of ASBJ PITF No. 18	**—**	—	(6,442)	**—**
Increase associated with change in the consolidated subsidiaries' settlement date	**—**	53	—	**—**
Cash dividend from retained earnings	**(2,674)**	(1,945)	(1,994)	**(32,166)**
Changes in companies accounted for under the equity method	**(93)**	—	—	**(1,133)**
Net income	**12,465**	6,662	2,441	**149,919**
Increase (decrease) due to decrease (increase) in unfunded retirement benefit obligation of foreign subsidiaries	**—**	560	(1,353)	**—**
Disposal of treasury stocks	**—**	—	(1)	**—**
Total changes during current fiscal year	**9,698**	5,330	(7,349)	**116,620**
Balance at current fiscal year-end	**38,536**	26,149	20,819	**463,450**
Treasury stock				
Balance at previous fiscal year-end	**(6,571)**	(3,256)	(97)	**(79,032)**
Changes during current fiscal year				
Changes in companies accounted for under the equity method	**3**	—	—	**45**
Purchase of treasury stocks	**(23)**	(3,390)	(3,161)	**(278)**
Disposal of treasury stocks	**310**	75	2	**3,731**
Total changes during current fiscal year	**290**	(3,315)	(3,159)	**3,498**
Balance at current fiscal year-end	**(6,281)**	(6,571)	(3,256)	**(75,534)**
Total shareholders' equity				
Balance at previous fiscal year-end	**182,605**	180,579	191,087	**2,196,089**
Reclassification of unfunded retirement benefit obligation of foreign subsidiaries	**2,689**	—	—	**32,341**
Changes during current fiscal year				
Decrease in retained earnings from application of ASBJ PITF No. 18	**—**	—	(6,442)	**—**
Increase associated with change in the consolidated subsidiaries' settlement date	**—**	53	—	**—**
Cash dividend from retained earnings	**(2,674)**	(1,945)	(1,994)	**(32,166)**
Changes in companies accounted for under the equity method	**(90)**	—	—	**(1,088)**
Net income	**12,465**	6,662	2,441	**149,919**
Increase (decrease) due to decrease (increase) in unfunded retirement benefit obligation of foreign subsidiaries	**—**	560	(1,353)	**—**
Purchase of treasury stocks	**(23)**	(3,390)	(3,161)	**(278)**
Disposal of treasury stocks	**365**	86	1	**4,399**
Total changes during current fiscal year	**10,043**	2,026	(10,508)	**120,786**
Balance at current fiscal year-end	**195,337**	182,605	180,579	**2,349,216**
Accumulated Other Comprehensive Income				
Differences on revaluation of available-for-sale securities				
Balance at previous fiscal year-end	**92**	(189)	1,756	**1,106**
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	**(589)**	281	(1,945)	**(7,090)**
Total changes during current fiscal year	**(589)**	281	(1,945)	**(7,090)**
Balance at current fiscal year-end	**(497)**	92	(189)	**(5,984)**
Deferred gains or losses on hedges				
Balance at previous fiscal year-end	**7**	2	(0)	**92**
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	**(7)**	5	2	**(86)**
Total changes during current fiscal year	**(7)**	5	2	**(86)**
Balance at current fiscal year-end	**0**	7	2	**6**
Foreign currency translation adjustments				
Balance at previous fiscal year-end	**(75,808)**	(74,616)	(62,268)	**(911,706)**
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	**(8,831)**	(1,192)	(12,348)	**(106,197)**
Total changes during current fiscal year	**(8,831)**	(1,192)	(12,348)	**(106,197)**
Balance at current fiscal year-end	**(84,639)**	(75,808)	(74,616)	**(1,017,903)**
Unfunded retirement benefit obligation of foreign subsidiaries				
Balance at previous fiscal year-end	**—**	—	—	**—**
Reclassification of unfunded retirement benefit obligation of foreign subsidiaries	**(2,689)**	—	—	**(32,341)**
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	**406**	—	—	**4,884**
Total changes during current fiscal year	**406**	—	—	**4,884**
Balance at current fiscal year-end	**(2,283)**	—	—	**(27,457)**
Total accumulated other comprehensive income				
Balance at previous fiscal year-end	**(75,709)**	(74,803)	(60,512)	**(910,508)**
Reclassification of unfunded retirement benefit obligation of foreign subsidiaries	**(2,689)**	—	—	**(32,341)**
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	**(9,021)**	(906)	(14,291)	**(108,489)**
Total changes during current fiscal year	**(9,021)**	(906)	(14,291)	**(108,489)**
Balance at current fiscal year-end	**(87,419)**	(75,709)	(74,803)	**(1,051,338)**
Minority Interests in Consolidated Subsidiaries				
Balance at previous fiscal year-end	**1,485**	986	1,155	**17,860**
Changes during current fiscal year				
Changes in non-shareholders' equity items (net)	**564**	499	(169)	**6,785**
Total changes during current fiscal year	**564**	499	(169)	**6,785**
Balance at current fiscal year-end	**2,049**	1,485	986	**24,645**
Total Net Assets				
Balance at previous fiscal year-end	**108,381**	106,762	131,730	**1,303,441**
Reclassification of unfunded retirement benefit obligation of foreign subsidiaries	**—**	—	—	**—**
Changes during current fiscal year				
Decrease in retained earnings from application of ASBJ PITF No. 18	**—**	—	(6,442)	**—**
Increase associated with change in the consolidated subsidiaries' settlement date	**—**	53	—	**—**
Cash dividend from retained earnings	**(2,674)**	(1,945)	(1,994)	**(32,166)**
Changes in companies accounted for under the equity method	**(90)**	—	—	**(1,088)**
Net income	**12,465**	6,662	2,441	**149,919**
Increase (decrease) due to decrease (increase) in unfunded retirement benefit obligation of foreign subsidiaries	**—**	560	(1,353)	**—**
Purchase of treasury stocks	**(23)**	(3,390)	(3,161)	**(278)**
Disposal of treasury stocks	**365**	86	1	**4,399**
Changes in non-shareholders' equity items (net)	**(8,457)**	(407)	(14,460)	**(101,704)**
Total changes during current fiscal year	**1,586**	1,619	(24,968)	**19,082**
Balance at current fiscal year-end	**¥109,967**	¥108,381	¥106,762	**$1,322,523**

The accompanying notes to consolidated financial statements are an integral part of these statements.

Consolidated Statements of Cash Flows

Years ended March 31, 2011, 2010 and 2009

	Millions of yen			Thousands of U.S. dollars (Note 3)
	2011	2010	2009	**2011**
Cash Flows from Operating Activities:				
Income before income taxes and minority interests	**¥ 18,656**	¥ 9,261	¥ 6,834	**$ 224,376**
Depreciation and amortization	**20,806**	21,140	23,988	**250,222**
Impairment losses (Note 5)	**554**	31	23	**6,660**
Amortization of goodwill (Note 2-k)	**1,321**	1,352	1,039	**15,883**
Interest and dividend income	**(388)**	(304)	(531)	**(4,669)**
Interest expense	**1,833**	1,898	2,646	**22,040**
(Gains) losses on sales and disposals of fixed assets	**337**	212	424	**4,053**
Gains on sales of investment securities (Note 2-g)	**—**	(32)	—	**—**
Losses on sales of investments in subsidiaries and affiliates	**38**	—	—	**462**
(Gains) losses on liquidation of subsidiaries and affiliates	**—**	159	(311)	**—**
(Increase) decrease in notes and accounts receivable–trade	**(7,141)**	(9,574)	20,145	**(85,880)**
(Increase) decrease in inventories	**(10,207)**	2,286	1,289	**(122,755)**
Increase (decrease) in notes and accounts payable–trade	**2,907**	6,571	(14,649)	**34,956**
Increase (decrease) in provision for business restructuring losses	**(5)**	(824)	548	**(58)**
Increase (decrease) in warranty reserve	**(256)**	280	19	**(3,085)**
Other	**1,040**	1,209	3,769	**12,517**
Subtotal	**29,495**	33,665	45,233	**354,722**
Interest and dividends received	**388**	305	547	**4,669**
Interest paid	**(1,859)**	(1,892)	(2,647)	**(22,359)**
Income taxes paid	**(4,197)**	(2,545)	(6,399)	**(50,476)**
Income tax refund	**612**	875	330	**7,361**
Net cash provided by operating activities	**24,439**	30,408	37,064	**293,917**
Cash Flows from Investing Activities:				
Transfers to time deposits	**(3,753)**	(2,780)	—	**(45,140)**
Proceeds from withdrawal from time deposits	**3,315**	1,139	—	**39,871**
Payments for purchase of tangible fixed assets	**(26,517)**	(10,495)	(18,429)	**(318,907)**
Proceeds from sales of tangible fixed assets	**953**	683	2,859	**11,466**
Payments for purchase of intangible fixed assets	**(343)**	(323)	(599)	**(4,129)**
Payments for acquisition of shares in subsidiaries associated with change in scope of consolidation (Note 13)	**—**	—	(7,265)	**—**
Payments for acquisition of shares in subsidiaries	**(1,328)**	—	—	**(15,977)**
Proceeds from sales of investments in affiliate	**18**	—	—	**220**
Long-term loans provided	**(199)**	(23)	(9)	**(2,400)**
Other	**(777)**	(934)	(1,111)	**(9,342)**
Net cash used in investing activities	**(28,631)**	(12,733)	(24,554)	**(344,338)**
Cash Flows from Financing Activities:				
Net increase (decrease) in short-term debt	**1,583**	(6,873)	7,568	**19,038**
Proceeds from increase in long-term debt	**23,600**	14,920	11,500	**283,824**
Repayment of decrease in long-term debt	**(14,370)**	(22,175)	(15,860)	**(172,817)**
Cash dividends paid	**(2,674)**	(1,945)	(5,985)	**(32,166)**
Payments for purchase of treasury stock	**(23)**	(3,390)	(3,161)	**(278)**
Proceeds from disposal of treasury stock	**365**	86	1	**4,399**
Repayment of lease obligations	**(497)**	(741)	(1,038)	**(5,980)**
Net cash provided by (used in) financing activities	**7,984**	(20,118)	(6,975)	**96,020**
Effect of Exchange Rate Changes on Cash and Cash Equivalents	**(1,025)**	(513)	(921)	**(12,334)**
Net Increase (Decrease) in Cash and Cash Equivalents	**2,767**	(2,956)	4,614	**33,265**
Cash and Cash Equivalents at Beginning of Year	**24,855**	27,895	23,281	**298,925**
Decrease Associated with Change in the Consolidated Subsidiaries' Settlement Date	**—**	(84)	—	**—**
Cash and Cash Equivalents at End of Year	**¥ 27,622**	¥ 24,855	¥ 27,895	**$ 332,190**

The accompanying notes to consolidated financial statements are an integral part of these statements.

1. Basis of Presenting Financial Statements

The accompanying consolidated financial statements of Minebea Co., Ltd. (the "Company"), and its consolidated domestic and overseas subsidiaries are stated in Japanese yen. The accounts of the Company and its consolidated domestic and overseas subsidiaries are maintained in accordance with the accounting principles generally accepted in the respective countries and audited by independent auditors in those countries. The Company has made necessary adjustments to its consolidated accounting process regarding overseas subsidiaries in accordance with the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force (PITF) No. 18, issued on May 17, 2006), effective from the year ended March 31, 2009.

The accompanying consolidated financial statements have been compiled from the consolidated financial statements filed with the Ministry of Finance in Japan as required by the Financial Instruments and Exchange Act of Japan, in accordance with accounting principles generally accepted in Japan, which are different in certain respects to the application and disclosure requirements of International Financial Reporting Standards. For the purpose of this annual report, certain reclassifications have been made and additional information provided to present the accompanying consolidated financial statements in a format that is familiar to readers outside Japan.

2. Summary of Significant Accounting Policies

a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and 40 affiliated companies (40 consolidated subsidiaries). All significant intercompany balances, intercompany transactions and unrealized profits have been eliminated in consolidation.

The Company established 2 new consolidated subsidiaries and acquired shares of 3 non-consolidated subsidiaries during the year ended March 31, 2011. Non-consolidated subsidiaries are excluded from the scope of consolidation, as their operations are small, and their total assets, net sales, net income (amount equivalent to shares) and retained earnings (amount equivalent to shares), etc. have no significant impact to the consolidated financial statements. The number of affiliated companies decreased by 1 due to sale of shares.

For some consolidated subsidiaries whose fiscal year ends on December 31, provisional financial statements as of the Company's balance sheet date are prepared and used.

b) Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rates prevailing at the balance sheet date, except for those which are hedged by forward exchange contracts. Translation differences arising from the translation of the financial statements denominated in foreign currencies are recorded as minority interests in consolidated subsidiaries and foreign currency translation adjustments in net assets.

Financial statement items of consolidated overseas subsidiaries are translated into Japanese yen as follows:

Balance sheet items	At the rates of exchange prevailing at the balance sheet date
Statement of income items	At the average rate of exchange during the fiscal year

c) Cash equivalents

All highly liquid investments with a maturity of 3 months or less when purchased are considered to be "cash equivalents."

d) Allowance for doubtful receivables

Allowance for doubtful receivables of the Company and its consolidated domestic subsidiaries is provided for normal receivables based on the historical write-off rate and for uncollectible receivables on a specific identification basis. Allowance for doubtful receivables of consolidated overseas subsidiaries is generally provided for estimated uncollectible receivables.

Allowance for doubtful receivables provided for consolidated subsidiary receivables is eliminated for consolidation purposes.

e) Inventories

Inventories of the Company and its consolidated domestic subsidiaries are stated at cost, as determined primarily by the moving average method, with balance sheet inventory amounts calculated using lowered book values and reflecting a potential decline in profitability. Inventories of the Company's consolidated overseas subsidiaries are stated at lower of cost or market as determined primarily by the moving average method.

Inventories as of March 31, 2011 and 2010, comprised the following:

Inventories

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2011	2010	**2011**
Merchandise and finished goods	**¥20,883**	¥15,297	**$251,145**
Work in process	**11,985**	11,037	**144,140**
Raw materials	**7,548**	6,729	**90,777**
Supplies	**3,582**	2,849	**43,077**
	¥43,998	¥35,912	**$529,139**

f) Tangible fixed assets

Tangible fixed assets are stated at acquisition cost. Depreciation of the Company and its consolidated domestic subsidiaries is computed by the declining balance method based upon the estimated useful lives of the assets. The estimated useful lives of fixed assets are predominantly 2 to 50 years for buildings and structures, 2 to 15 years for machinery and transportation equipment and 2 to 20 years for tools, furniture and fixtures. In contrast, depreciation of consolidated overseas subsidiaries is computed primarily by the straight-line method based upon the estimated useful lives of the assets. Maintenance and normal repair expenses are charged against income incurred, while significant renewals and improvements are capitalized.

g) Investment securities

Investment securities consist of equity securities of listed and unlisted companies and government bonds. Available-for-sale securities held by the Company and its domestic and overseas consolidated subsidiaries with fair value are stated at the closing quoted market price on March 31, 2011 and 2010. Resulting valuation gains and losses are included, after the application of tax effect accounting, in net assets in the consolidated balance sheets. The cost of securities sold is calculated using the moving average method. Those securities for which fair value is not readily determinable are stated at cost, as determined by the moving average method.

Available-for-sale securities

Millions of yen

	2011			2010		
	Reported amount in balance sheet	*Acquisition cost*	*Difference*	*Reported amount in balance sheet*	*Acquisition cost*	*Difference*
Securities whose reported amounts in balance sheet exceed acquisition cost						
Equity securities	**¥ 698**	**¥ 583**	**¥ 115**	¥1,907	¥1,526	¥ 381
Bonds	**2,422**	**2,411**	**11**	2,539	2,534	5
Securities whose reported amounts in balance sheet do not exceed acquisition cost						
Equity securities	**1,849**	**2,467**	**(618)**	1,260	1,524	(264)
Bonds	**—**	**—**	**—**	—	—	—
Total	**¥4,969**	**¥5,461**	**¥(492)**	¥5,706	¥5,584	¥ 122

	Thousands of U.S. dollars (Note 3)		
	2011		
	Reported amount in balance sheet	*Acquisition cost*	*Difference*
Securities whose reported amounts in balance sheet exceed acquisition cost			
Equity securities	**$ 8,399**	**$ 7,015**	**$ 1,384**
Bonds	**29,123**	**28,992**	**131**
Securities whose reported amounts in balance sheet do not exceed acquisition cost			
Equity securities	**22,242**	**29,669**	**(7,427)**
Bonds	**—**	**—**	**—**
Total	**$59,764**	**$65,676**	**$(5,912)**

Unlisted equity securities are not included in the above, as they do not have quoted market prices, therefore they are extremely difficult to measure their fair value. The amount of unlisted equity securities as of March 31, 2011 and 2010 are ¥2,534 million ($30,478 thousand) and ¥2,531 million, respectively.

Available-for-sale securities sold during each fiscal year

	Millions of yen								
	2011			2010			2009		
	Amount of sale	*Gain on sale*	*Loss on sale*	*Amount of sale*	*Gain on sale*	*Loss on sale*	*Amount of sale*	*Gain on sale*	*Loss on sale*
Equity securities	**¥—**	**¥—**	**¥—**	¥65	¥32	¥—	¥—	¥—	¥—

	Thousands of U.S. dollars (Note 3)		
	2011		
	Amount of sale	*Gain on sale*	*Loss on sale*
Equity securities	**$—**	**$—**	**$—**

h) Accounting for retirement benefits

Effective April 1, 2000, the Company and its consolidated domestic subsidiaries have adopted the accounting standards for retirement benefits. To provide for the payment of retirement benefits to employees, provisions have been made based on the projected benefit obligations and the estimated plan assets as of March 31, 2011 and 2010, calculated on the basis of accrued retirement benefit obligations and prepaid pension costs as of March 31, 2011 and 2010.

Prepaid pension costs and accrued retirement benefits as of March 31, 2011 and 2010, are included under “Other” in “Investments and Other Assets” and “Other” in “Long-term Liabilities,” respectively.

Prior service costs are amortized using the straight-line method over a period of 10 years.

Actuarial gains and losses are amortized using the straight-line method over a period of 5 years, from the period subsequent to the period in which they are incurred.

Unrecognized prior service costs of consolidated overseas subsidiaries are amortized using the straight-line method over a period of 10 years.

Actuarial gains and losses of consolidated overseas subsidiaries are amortized using the straight-line method over a period of 5 to 10 years, from the period subsequent to the period in which they are incurred.

(Change of accounting policy)

In the year ended March 31, 2010, the Company adopted the “Partial Amendments to “Accounting Standards for Retirement Benefits” (Part3)” (ASBJ Statement No. 19, issued on July 31, 2008).

There was no effect from this change on profits and losses for the year ended March 31, 2010.

(Additional information)

Effective April 1, 2008, the Company and certain consolidated domestic subsidiaries terminated the tax-qualified pension plan they had previously employed and switched to a defined contribution pension plan and a defined benefit pension plan.

Accordingly, the Company has applied the “Guidance for Accounting for the Transfer between Retirement Benefit Plans” (ASBJ Guidance No. 1, issued on January 31, 2002).

Unrecognized prior service costs resulting from this change are amortized using the straight-line method over a period of 10 years.

Retirement benefit plans

Projected benefit obligations and the components thereof as of March 31, 2011 and 2010, are as follows:

Projected Benefit Obligations	Millions of yen 2011	Millions of yen 2010	Thousands of U.S. dollars (Note 3) 2011
Projected benefit obligations	**¥(33,844)**	¥(33,511)	**$(407,023)**
Plan assets at fair value	**24,304**	21,816	**292,286**
Unfunded projected benefit obligations	**(9,540)**	(11,695)	**(114,737)**
Unrecognized prior service costs	**2,316**	2,647	**27,856**
Unrecognized actuarial losses	**3,728**	4,519	**44,831**
Net amount recognized on consolidated balance sheets	**(3,496)**	(4,529)	**(42,050)**
Prepaid pension costs	**784**	278	**9,435**
Accrued retirement benefits	**¥ (4,280)**	¥ (4,807)	**$ (51,485)**

The components of retirement benefit costs for the years ended March 31, 2011, 2010 and 2009, are as follows:

Retirement Benefit Costs	Millions of yen 2011	Millions of yen 2010	Millions of yen 2009	Thousands of U.S. dollars (Note 3) 2011
Service cost	**¥1,329**	¥1,372	¥1,433	**$15,978**
Interest cost	**1,187**	1,207	1,187	**14,278**
Expected return on plan assets	**(884)**	(833)	(1,050)	**(10,634)**
Amortization of prior service costs	**325**	333	332	**3,912**
Amortization of actuarial losses	**1,225**	1,392	281	**14,729**
Retirement benefit costs	**3,182**	3,471	2,183	**38,263**
Loss on transition of retirement benefit plan	**—**	—	375	**—**
Special severance payments	**—**	—	985	**—**
Contributions to defined contribution pension plans	**168**	159	143	**2,027**
Total	**¥3,350**	¥3,630	¥3,686	**$40,290**

Assumptions used for calculation for the years ended March 31, 2011, 2010 and 2009, are as follows:

Assumptions Used for Calculation	2011	2010	2009
Discount rate	**mainly 2.0%**	mainly 2.0%	mainly 2.0%
Expected rate of return on plan assets	**mainly 2.0%**	mainly 2.0%	mainly 2.5%
Allocation of estimated amount of all retirement benefits to be paid at future retirement dates	**Equally to each service year using the estimated number of total service years**	Equally to each service year using the estimated number of total service years	Equally to each service year using the estimated number of total service years

i) Leases

Non-cancellable finance lease transactions except for those that stipulate the transfer of ownership of leased property to the lessee are depreciated using the straight-line method, whereby the lease term is the useful life of the asset and the residual value is zero.

j) Hedge accounting

Method of hedge accounting

The Company has adopted the allocation method to account for forward exchange contracts for foreign currency-denominated receivables and payables, and the deferred hedge method to account for forward exchange contracts for foreign currency-denominated anticipated transactions. The Company has also adopted the special method to account for interest rate swaps, which meet the criteria for special accounting.

Hedging vehicles and hedged items
(Hedging vehicles)
Forward exchange contracts
Interest rate swaps
(Hedged items)
Monetary receivables and payables in foreign currency
Anticipated transaction in foreign currencies
Interest rates on borrowings

Hedge policy
Under the guidance of its Finance Department, the Company makes forward exchange contracts to hedge risks related to foreign exchange fluctuations arising from export and import transactions, and from lending in foreign currencies. The Company also makes interest rate swaps to hedge fluctuation risks related to interest rates on borrowings.

Method of assessing hedge effectiveness
Regarding forward exchange contracts, in principle, the Company allocates them to monetary receivables and payables with the same maturities and same amounts in foreign currency at closing of forward exchange contracts in accordance with the risk management policy. This completely ensures correlations reflecting subsequent exchange rate fluctuations. The Company assesses hedge effectiveness based upon such correlations.

Also, regarding interest rate swaps, the Company assesses hedge effectiveness based upon the fulfillment of the criteria for special accounting.

k) Goodwill and negative goodwill
Excess of cost over net assets acquired for business acquisitions for the Company and its consolidated subsidiaries is amortized on a straight-line basis over a period ranging from 5 to 10 years. Amortization for the years ended March 31, 2011, 2010 and 2009, were ¥1,321 million ($15,883 thousand), ¥1,352 million and ¥1,039 million, respectively.

l) Accounting standard for asset retirement obligations
In the year ended March 31, 2011, the Company has applied the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, issued on March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, issued on March 31, 2008).

There was no effect from this change on profits and losses for the year ended March 31, 2011.

m) Accounting standard for business combinations and others
In the year ended March 31, 2011, the Company has applied the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, issued on December 26, 2008), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, issued on December 26, 2008) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, revised on December 26, 2008).

Due to the application, assets and liabilities of consolidated subsidiaries at acquisition, which previously were partially measured at fair value, are fully measured at fair value from the year ended March 31, 2011.

There was no effect from this change on the consolidated financial statements for the year ended March 31, 2011.

n) Accounting standard for presentation of comprehensive income
In the year ended March 31, 2011, the Company has applied the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, issued on June 30, 2010).

Due to the application, unfunded retirement benefit obligations of foreign subsidiaries incurred in previous years, amounting to –¥2,689 million (–$32,341 thousand), was reclassified from “Retained earnings” to “Unfunded retirement benefit obligation of foreign subsidiaries” in the year ended March 31, 2011.

Comprehensive income for the year ended March 31, 2010, is as follows:

	Millions of yen
	2010
Income before Minority Interests	¥ 7,012
Other Comprehensive Income:	
Difference on revaluation of available-for-sale securities	281
Deferred gains or losses on hedges	5
Foreign currency translation adjustments	(1,043)
Total other comprehensive income	(757)
Total Comprehensive Income	¥ 6,255
Comprehensive income attributable to:	
Comprehensive income attributable to owners of the parent	5,756
Comprehensive income attributable to minority interests	499

o) Practical solution on accounting treatment overseas subsidiaries

The Company has made necessary adjustments to its consolidated accounting process in accordance with the application of the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" (ASBJ PITF No. 18, issued on May 17, 2006), effective from the year ended March 31, 2009.

p) Reclassifications

Certain reclassifications of previous years' figures have been made to conform with the current year's classification.

3. Translation into U.S. Dollars

The accompanying financial statements are expressed in Japanese yen and, solely for the convenience of the reader, have also been translated into U.S. dollar amounts at the rate of ¥83.15=US$1, the approximate rate of exchange on March 31, 2011. The translations should not be construed as representations that the Japanese yen amounts have been, could have been or could in the future be converted into U.S. dollars.

4. Short-Term and Long-Term Debt

Short-term debt consists of short-term loans from banks, principally due in 30 to 180 days. The weighted average rates of short-term loans as of March 31, 2011 and 2010 are 1.12% and 1.06%, respectively.

Short-term debt as of March 31, 2011 and 2010, consists of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2011	2010	**2011**
Short-term loans	**¥52,238**	¥51,655	**$628,236**
Total	**¥52,238**	¥51,655	**$628,236**

Long-term debt as of March 31, 2011 and 2010, consists of the following:

	Millions of yen		Thousands of U.S. dollars (Note 3)
	2011	2010	**2011**
1.39% unsecured bonds payable in Japanese yen due November 2010	**¥ —**	¥10,000	**$ —**
1.26% unsecured bonds payable in Japanese yen due December 2011	**10,000**	10,000	**120,264**
1.70% unsecured bonds payable in Japanese yen due March 2012	**1,500**	1,500	**18,040**
Loans from banks, etc. Years ended March 31 2011—0.93% to 1.95% 2010—0.85% to 2.05%	**69,475**	50,245	**835,539**
Lease obligations	**769**	963	**9,244**
	81,744	72,708	**983,087**
Less: current portion	**24,497**	13,571	**294,611**
	¥57,247	¥59,137	**$688,476**

The aggregate annual maturities of long-term debt outstanding as of March 31, 2011, are as follows:

	Millions of yen	Thousands of U.S. dollars (Note 3)
2012	**¥24,497**	**$294,611**
2013	**15,332**	**184,387**
2014	**19,355**	**232,774**
2015	**7,033**	**84,587**
2016 and thereafter	**15,527**	**186,728**
	¥81,744	**$983,087**

5. Impairment of Fixed Assets

The asset groups for which the Company and its consolidated subsidiaries recognized impairment losses for the years ended March 31, 2011, 2010 and 2009, are as follows:

Overview of asset groups for which impairment losses were recognized

			Millions of yen			Thousands of U.S. dollars (Note 3)
Use	*Location*	*Type of assets*	**2011**	2010	2009	**2011**
Idle assets	5 facilities, which are a plant in Malaysia, former Kyoto Plant, former Ibaraki Plant, former Ichinoseki Plant and former Kanegasaki Plant (Yawata City, Kyoto Prefecture and others)	Buildings and structures	**¥ 54**	¥ 7	¥—	**$ 653**
		Machinery and transportation equipment	**—**	—	19	**—**
		Land	**4**	24	4	**45**
		Total	**58**	31	23	**698**
Sold assets	Former Kyoto Plant (Yawata City, Kyoto Prefecture)	Land	**248**	—	—	**2,981**
		Total	**248**	—	—	**2,981**
Operational assets	China (Zhuhai)	Machinery and transportation equipment	**175**	—	—	**2,108**
		Tools, furniture and fixtures	**73**	—	—	**873**
		Total	**248**	—	—	**2,981**
Total			**¥554**	¥31	¥23	**$6,660**

Asset grouping method

Assets are generally grouped by the lowest level that generates independent cash flow, based on the business segmentation.

Reason for impairment losses having been recognized

The idle assets (buildings and structures and land) for which impairment losses were recognized for the years ended March 31, 2011, 2010 and 2009, do not have an effective utilization plan, and their land prices dropped significantly.

Impairment losses were recognized for sold assets (land), as their recoverable amounts were below book values.

Regarding operational assets (machinery and transportation equipment, and tools, furniture and fixtures), impairment losses were recognized, as their future cash flows were below book values of the asset group, due to deterioration in the earnings environment, and reduced to their recoverable amount based on value of use.

Calculation method of recoverable amounts

Idle assets and sold assets are measured by net realizable value, mainly based on real estate appraisal standards or by sales prices. Assets that cannot be sold or diverted to other usage are valued at zero.

Operational assets are measured by value of use and calculated by discounting the future cash flows by 12.0%.

6. Income Taxes

The Company and its consolidated domestic subsidiaries are subject to a number of different taxes based on income which, in the aggregate, resulted in an effective statutory rate of 39.0% for the years ended March 31, 2011, 2010 and 2009.

The income taxes of consolidated overseas subsidiaries are generally levied at lower rates than those currently applied in Japan. In addition, consolidated subsidiaries in Thailand are granted a tax exempt status by the Promotion of Investment Act, whereby earnings derived from the manufacture or sale of qualifying products are fully exempt from Thai income tax for a period of 3 to 8 years.

The income tax effect is recognized for temporary differences resulting from elimination of intercompany profit and certain adjustments made in the accompanying consolidated financial statements.

Net deferred tax assets of ¥8,222 million ($98,885 thousand) and ¥9,546 million as of March 31, 2011 and 2010, respectively, are included in the accompanying consolidated balance sheets and are composed of the following:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
Deferred Tax Assets	**2011**	2010	**2011**
Excess of allowed limit chargeable to accrued bonuses	**¥ 1,044**	¥ 970	**$ 12,554**
Excess of allowed limit chargeable to accrued retirement benefits	**1,333**	1,563	**16,037**
Loss on revaluation of investment securities	**351**	351	**4,221**
Unrealized gains on sales of inventories	**914**	968	**10,990**
Unrealized gains on sales of fixed assets	**671**	732	**8,065**
Excess of allowed limit chargeable to depreciation	**1,368**	1,510	**16,457**
Impairment losses	**190**	405	**2,283**
Tax losses carried forward	**5,885**	4,648	**70,773**
Foreign tax credit carried forward	**745**	1,458	**8,960**
Other	**1,757**	1,891	**21,128**
Subtotal	**14,258**	14,496	**171,468**
Valuation allowance	**(4,727)**	(3,480)	**(56,845)**
Total deferred tax assets	**¥ 9,531**	¥11,016	**$114,623**

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
Deferred Tax Liabilities	**2011**	2010	**2011**
Depreciation allowed to overseas subsidiaries	**¥ 737**	¥1,149	**$ 8,864**
Differences on revaluation of available-for-sale securities	**7**	37	**81**
Prepaid pension costs	**318**	37	**3,825**
Others	**247**	247	**2,968**
Total deferred tax liabilities	**1,309**	1,470	**15,738**
Net deferred tax assets	**¥8,222**	¥9,546	**$98,885**

Net deferred tax assets are included in the accompanying consolidated balance sheets as follows:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2011	2010	**2011**
Current assets—Deferred tax assets	**¥3,779**	¥5,779	**$45,452**
Fixed assets—Deferred tax assets	**5,279**	4,923	**63,490**
Current liabilities—Other	**(9)**	(12)	**(112)**
Long-term liabilities—Other	**(827)**	(1,144)	**(9,945)**
Net deferred tax assets	**¥8,222**	¥9,546	**$98,885**

The reconciliation of the statutory tax rate in Japan and the effective tax rates appearing in the consolidated statements of income for the years ended March 31, 2011, 2010 and 2009, is shown below:

	2011	2010	2009
Statutory tax rate in Japan	**39.0%**	39.0%	39.0%
Adjustments:			
Amortization of goodwill	**2.8**	5.7	5.9
Difference of tax rates applied to overseas subsidiaries	**(9.9)**	(18.1)	(8.9)
Valuation allowance for operating losses of consolidated subsidiaries	**(9.9)**	3.7	—
Effect of dividend income eliminated for consolidation	**3.9**	29.1	57.4
Dividend income and other items not included for tax purposes	**(3.8)**	(22.7)	—
Entertainment cost and other items not deducted for tax purposes	**0.3**	—	—
Withholding income taxes	**6.9**	5.8	—
Changes in tax rates	**—**	—	(16.7)
Prior year's income taxes	**—**	—	(15.0)
Income tax refund	**—**	(20.6)	—
Other	**0.4**	2.4	0.1
Effective income tax rate	**29.7%**	24.3%	61.8%

7. Leases

Outstanding future lease payments for non-cancellable operating leases as of March 31, 2011 and 2010, are as follows:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2011	2010	**2011**
Due within 1 year	**¥ 717**	¥ 842	**$ 8,624**
Due after 1 year	**1,981**	1,305	**23,822**
Total	**¥2,698**	¥2,147	**$32,446**

8. Financial Instruments

a) Qualitative information on financial instruments

Financial instrument policies

The Company procures necessary funds (mainly through bank loans and issuance of bonds) based on the capital investment plan. Temporary surplus funds are managed in highly liquid financial assets and short-term operating funds are procured through bank loans. Derivatives are utilized to avoid the risks mentioned below, and speculative trading is not included in the policy.

Details of financial instruments and its risks

Notes and accounts receivable, which are trade receivables, are exposed to credit risk deriving from clients. On the other hand, trade receivables in foreign currency produced in overseas business operations are subject to the risk of exchange rate fluctuations, although basically, are hedged using forward exchange contracts, other than those within the balance of the foreign currency trade accounts payable.

Securities and investment securities are bonds and equity securities of companies with business relations, and are categorized as available-for-sale securities. These securities are exposed to the risk of market price fluctuation. Long-term loans receivable are also provided to employees.

Notes and accounts payable, which are trade payables, are mostly due within 6 months. Foreign currency trade accounts payable are exposed to the risk of exchange rate fluctuations, but are hedged using forward exchange contacts, other than those within the balance of the foreign currency trade accounts receivable.

Borrowings, bonds, and lease obligations concerned with finance lease transactions primarily serve the purpose of financing for capital investment, and the redemption date is up to 6 years from the balance sheet date. A part of these are exposed to the risk of interest rate fluctuations, but are hedged by derivative transactions (interest rate swap transactions).

Derivative transactions include the forward exchange contract transactions that are intended to hedge against the fluctuation risks for trade receivables and payables in foreign currency and the interest rate swap transactions that are intended to hedge the fluctuation risks in the interest rates of its borrowings.

Risk management for financial instruments

• Management of credit risks (risks of clients' failure to perform contracted obligations)
The Sales Division & Administration Department of the Company periodically monitors the status of major clients regarding trade receivables based on the Company's credit management policies. It also reviews payment due dates and outstanding amount per client each month, as well as revising credit ratings and credit limits every year for early detection and reduction of uncollectible receivables due to deteriorated financial conditions, etc. Similar management procedures are conducted at consolidated subsidiaries per the Company's credit management policies.

As for bonds categorized as available-for-sale securities, according to the fund management policy, the Company only handles U.S. Treasury securities and thus the credit risks are not significant.

Derivative transactions are deemed to have only a remote credit risk since the Company limits such transactions to only highly rated and reliable financial institutions.

• Management of market risks (fluctuation risks in exchange rates and interest rates, etc.)
In principle, the Company uses forward exchange contracts to hedge against fluctuation risks in foreign currency exchange rates by month and by currency for trade receivables and payables in foreign currency. The Company also adopts forward exchange contracts for foreign currency-denominated receivables and payables that are certain to arise from anticipated export transactions. The Company makes interest rate swap transactions to reduce risks of interest rate fluctuations from the repayment of its borrowings and bonds.

For securities and investment securities, fair values and the financial conditions of issuing entities (client firms) are periodically reviewed.

Based on the approval of authorized personnel, the relevant department executes and manages derivative transactions according to the marketability risk management policies that specify transaction authorizations and transaction amount limits. The monthly transaction results are reported to the Company's executive officer in charge of finance.

Consolidated subsidiaries are also managed pursuant to the Company's marketability risk management policies.

• Management of liquidity risks in financing (risks of failure to pay by payment due date)
The Company manages liquidity risks through the maintenance of short-term liquidity. The relevant departments of the Company create and update cash flow plans as necessary based on reports from each department. Similar management is also implemented at consolidated subsidiaries.

Supplemental information on fair values of financial instruments

The fair values of financial instruments include both the amount based on market price, and when the market price is not available, a reasonably calculated amount. Due to the integration of fluctuation factors in the calculation of such amount, the amount may vary depending on which preconditions are adopted. The contracted amount for derivative transactions mentioned in note "9. Derivatives" does not in themselves represent the market risks for the derivative transactions.

b) Fair values of financial instruments

The reported amounts in the consolidated balance sheet, fair values and their differences as of March 31, 2011 and 2010 are as follows, which does not contain items whose fair value was extremely difficult to measure.

Millions of yen

	2011			2010		
	Reported amount in balance sheet	*Fair value*	*Difference*	*Reported amount in balance sheet*	*Fair value*	*Difference*
Cash and cash equivalents	**¥ 27,622**	**¥ 27,622**	**¥ —**	¥ 24,855	¥ 24,855	¥ —
Time deposits	**1,969**	**1,969**	**—**	1,652	1,652	—
Notes and accounts receivable—trade	**56,021**	**56,021**	**—**	52,184	52,184	—
Securities and investment securities	**4,969**	**4,969**	**—**	5,706	5,706	—
Long-term loans receivable	**20**	**20**	**—**	23	23	—
Total assets	**¥ 90,601**	**¥ 90,601**	**¥ —**	¥ 84,420	¥ 84,420	¥ —
Notes and accounts payable—trade	**18,631**	**18,631**	**—**	16,464	16,464	—
Short-term debt	**52,238**	**52,238**	**—**	51,655	51,655	—
Current portion of long-term debt	**24,132**	**24,348**	**216**	13,100	13,226	126
Long-term debt	**56,843**	**57,477**	**634**	58,645	59,400	755
Total liabilities	**¥151,844**	**¥152,694**	**¥850**	¥139,864	¥140,745	¥881
Derivative transactions*	**¥ (3)**	**¥ (3)**	**¥ —**	¥ 28	¥ 28	¥ —

Thousands of U.S. dollars (Note 3)

	2011		
	Reported amount in balance sheet	*Fair value*	*Difference*
Cash and cash equivalents	**$ 332,190**	**$ 332,190**	**$ —**
Time deposits	**23,679**	**23,679**	**—**
Notes and accounts receivable—trade	**673,732**	**673,732**	**—**
Securities and investment securities	**59,764**	**59,764**	**—**
Long-term loans receivable	**236**	**236**	**—**
Total assets	**$1,089,601**	**$1,089,601**	**$ —**
Notes and accounts payable—trade	**224,062**	**224,062**	**—**
Short-term debt	**628,236**	**628,236**	**—**
Current portion of long-term debt	**290,222**	**292,826**	**2,604**
Long-term debt	**683,621**	**691,250**	**7,629**
Total liabilities	**$1,826,141**	**$1,836,374**	**$10,233**
Derivative transactions*	**$ (35)**	**$ (35)**	**$ —**

* Net receivables and payables deriving from derivative transactions are offset.

Calculation of fair value of financial instruments and matters related to securities and derivative transactions are as follows.

Assets

• Cash and cash equivalents • Time deposits • Notes and accounts receivable—trade

Book values are applied since these items are settled in a short period of time and their book values approximate fair values.

• Securities and investment securities

Fair values for equity securities are based on market prices while fair values for bonds are based on market prices or prices provided by financial institutions. Please refer to note "2. Summary of Significant Accounting Policies g) Investment securities" for the details of securities by each holding purpose.

• Long-term loans receivable

The Company's long-term loans receivable are limited to housing loans for employees, and book values are applied since the amount is insignificant.

Liabilities

• Notes and accounts payable—trade • Short-term debt

Book values are applied since these items are settled in a short period of time and their book values approximate fair values.

• Current portion of long-term debt • Long-term debt

As for loans payable, book values are applied for those with floating interest rates since they are settled in a short period of time and their book values approximate fair values. For those with fixed interest rates, the sum of the principal and interest are discounted using the rate assumed when a similar borrowing is made.

As for bonds, those with market prices are based on such market prices, and for those with no market prices, the sum of the principal and interest are discounted using the rate assumed when a similar issuance is made.

Derivative transactions

Please refer to note "9. Derivatives."

Financial instruments whose fair value is deemed extremely difficult to measure

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2011	2010	**2011**
	Reported amount in balance sheet	*Reported amount in balance sheet*	*Reported amount in balance sheet*
Unlisted stocks	**¥2,534**	¥2,531	**$30,478**
Investments in subsidiaries	**1,328**	—	**15,977**
Total	**¥3,862**	¥2,531	**$46,455**

The above items are not included in "Securities and investment securities" as they do not have market prices and are deemed extremely difficult to measure their fair value.

Expected redemption amounts for monetary receivables and securities with maturity

	Millions of yen			
	2011			
	Within 1 year	*Over 1 year Within 5 year*	*Over 5 year Within 10 year*	*Over 10 year*
Cash and cash equivalents	**¥27,622**	**¥ —**	**¥—**	**¥—**
Time deposits	**1,969**	**—**	**—**	**—**
Notes and accounts receivable–trade	**56,021**	**—**	**—**	**—**
Securities and investment securities				
Available-for-sale securities with maturity (U.S. Treasury securities)	**828**	**1,593**	**—**	**—**
Long-term loans receivable	**—**	**14**	**6**	**—**
Total	**¥86,440**	**¥1,607**	**¥ 6**	**¥—**

	Millions of yen			
	2010			
	Within 1 year	*Over 1 year Within 5 year*	*Over 5 year Within 10 year*	*Over 10 year*
Cash and cash equivalents	¥24,855	¥ —	¥—	¥—
Time deposits	1,652	—	—	—
Notes and accounts receivable–trade	52,184	—	—	—
Securities and investment securities				
Available-for-sale securities with maturity (U.S. Treasury securities)	857	1,681	—	—
Long-term loans receivable	—	16	7	—
Total	¥79,548	¥1,697	¥ 7	¥—

	Thousands of U.S. dollars (Note 3) 2011 Within 1 year	Over 1 year Within 5 year	Over 5 year Within 10 year	Over 10 year
Cash and cash equivalents	$ 332,190	$ —	$—	$—
Time deposits	23,679	—	—	—
Notes and accounts receivable–trade	673,732	—	—	—
Securities and investment securities				
Available-for-sale securities with maturity (U.S. Treasury securities)	9,966	19,157	—	—
Long-term loans receivable	—	168	68	—
Total	$1,039,567	$19,325	$68	$—

Expected repayment and redemption for loans payable and bonds
Please refer to note "4. Short-Term and Long-Term Debt."

(Additional information)
In the year ended March 31, 2010, the Company has applied the "Accounting Standards for Financial Instruments" (ASBJ Statement No.10, revised on March 10, 2008) and the "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, issued on March 10, 2008).

9. Derivatives

Derivative transactions which hedge accounting are applied as of March 31, 2011 and 2010, are as follows:

Currency related

Allocation method of forward exchange contracts

Type of transactions	Major hedged items	Millions of yen 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Short-term loans payable			
Buy				
U.S. dollars		¥ 3,868	¥—	¥ (24)
Japanese yen		23,341	—	(389)
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		12,919	—	68
Euro		2,889	—	(92)
Sterling pounds		90	—	(4)
Japanese yen		377	—	11
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		1,443	—	(0)
Swiss Franc		4	—	(0)
Japanese yen		905	—	(26)

Allocation method of forward exchange contracts

Type of transactions	Major hedged items	Millions of yen 2010 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Short-term loans payable			
Buy				
U.S. dollars		¥ 4,313	¥—	¥ (23)
Japanese yen		14,777	—	(603)
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		13,269	—	(9)
Euro		2,136	—	32
Sterling pounds		28	—	0
Japanese yen		1,043	—	69
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		780	—	(9)
Japanese yen		496	—	(27)

Allocation method of forward exchange contracts

Type of transactions	Major hedged items	Thousands of U.S. dollars (Note 3) 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Short-term loans payable			
Buy				
U.S. dollars		**$ 46,524**	**$—**	**$ (283)**
Japanese yen		**280,710**	**—**	**(4,680)**
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**155,373**	**—**	**817**
Euro		**34,741**	**—**	**(1,102)**
Sterling pounds		**1,083**	**—**	**(43)**
Japanese yen		**4,532**	**—**	**127**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**17,354**	**—**	**(2)**
Swiss Franc		**51**	**—**	**(0)**
Japanese yen		**10,884**	**—**	**311**

General accounting method

Type of transactions	Major hedged items	Millions of yen 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**¥2,464**	**¥—**	**¥12**
Euro		**700**	**—**	**(19)**
Sterling pounds		**20**	**—**	**0**
Japanese yen		**506**	**—**	**6**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**842**	**—**	**(8)**
Euro		**29**	**—**	**(0)**
Singapore dollars		**593**	**—**	**7**
Thai Bahts		**0**	**—**	**(0)**
Swiss Franc		**1**	**—**	**0**
Japanese yen		**150**	**—**	**(2)**

General accounting method

Type of transactions	Major hedged items	Millions of yen 2010 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		¥1,597	¥—	¥ (7)
Euro		648	—	5
Sterling pounds		41	—	(0)
Japanese yen		624	—	22
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		422	—	(3)
Euro		37	—	(0)
Singapore dollars		760	—	3
Japanese yen		69	—	(2)

General accounting method

Type of transactions	Major hedged items	Thousands of U.S. dollars (Note 3) 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Accounts receivable–trade			
Sell				
U.S. dollars		**$29,632**	**$—**	**$ 142**
Euro		**8,417**	**—**	**(233)**
Sterling pounds		**235**	**—**	**2**
Japanese yen		**6,086**	**—**	**76**
Forward exchange transaction	Accounts payable–trade			
Buy				
U.S. dollars		**10,132**	**—**	**(95)**
Euro		**344**	**—**	**(0)**
Singapore dollars		**7,133**	**—**	**89**
Thai Bahts		**1**	**—**	**(0)**
Swiss Franc		**16**	**—**	**0**
Japanese yen		**1,805**	**—**	**(27)**

Deferred hedge accounting

Type of transactions	Major hedged items	Millions of Japanese yen 2011 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts receivable–trade)			
Sell				
U.S. dollars		**¥6,732**	**¥—**	**¥ 2**
Euro		**944**	**—**	**(0)**
Sterling pounds		**33**	**—**	**0**
Japanese yen		**192**	**—**	**(0)**
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts payable–trade)			
Buy				
U.S. dollars		**598**	**—**	**0**
Singapore dollars		**475**	**—**	**(0)**
Hong Kong dollars		**54**	**—**	**(0)**
Japanese yen		**621**	**—**	**(1)**

Deferred hedge accounting

Type of transactions	Major hedged items	Millions of Japanese yen 2010 Contracted amount	Contracted amount exceeding 1 year	Fair value
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts receivable–trade)			
Sell				
U.S. dollars		¥5,939	¥—	¥ 4
Euro		782	—	1
Sterling pounds		14	—	0
Japanese yen		494	—	2
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts payable–trade)			
Buy				
U.S. dollars		329	—	(0)
Euro		2	—	(0)
Sterling pounds		3	—	0
Singapore dollars		418	—	0
Hong Kong dollars		59	—	0
Japanese yen		491	—	3

Deferred hedge accounting

Thousands of U.S. dollars (Note 3) — **2011**

Type of transactions	*Major hedged items*	*Contracted amount*	*Contracted amount exceeding 1 year*	*Fair value*
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts receivable–trade)			
Sell				
U.S. dollars		**$80,962**	**$—**	**$25**
Euro		**11,352**	**—**	**(3)**
Sterling pounds		**396**	**—**	**0**
Japanese yen		**2,310**	**—**	**(3)**
Forward exchange transaction	Anticipated transactions in foreign currencies (Accounts payable–trade)			
Buy				
U.S. dollars		**7,190**	**—**	**1**
Singapore dollars		**5,715**	**—**	**(3)**
Hong Kong dollars		**650**	**—**	**(0)**
Japanese yen		**7,469**	**—**	**(6)**

Note: Calculation of fair values
Fair values are calculated based on the prices provided by financial institutions.
Fair values of derivatives to which the allocation method of forward exchange contracts are applied are included in the fair values of short-term loans payable, accounts receivable–trade, accounts payable–trade and others as they are accounted for as a single unit with their hedging vehicles.

Interest rate related

Special accounting for interest rate swaps

Millions of yen — **2011**

Type of transactions	*Major hedged items*	*Contracted amount*	*Contracted amount exceeding 1 year*	*Fair value*
Interest rate swap transaction	Long-term loans payable			
Floating/fixed rate cash flow		**¥52,499**	**¥44,131**	**¥(654)**

Special accounting for interest rate swaps

Millions of yen — 2010

Type of transactions	*Major hedged items*	*Contracted amount*	*Contracted amount exceeding 1 year*	*Fair value*
Interest rate swap transaction	Long-term loans payable			
Floating/fixed rate cash flow		¥37,800	¥35,100	¥(570)

Special accounting for interest rate swaps

Thousands of U.S. dollars (Note 3) — **2011**

Type of transactions	*Major hedged items*	*Contracted amount*	*Contracted amount exceeding 1 year*	*Fair value*
Interest rate swap transaction	Long-term loans payable			
Floating/fixed rate cash flow		**$631,377**	**$530,740**	**$(7,865)**

Note: Calculation of fair values
Fair values are calculated based on the prices provided by financial institutions.
Fair values of derivatives to which special accounting for interest rate swaps are applied are included in the fair values of long-term loans payable as they are accounted for as a single unit with their hedging vehicles.

10. Research and Development Expenses

Research and development expenses incurred by the Company and its consolidated subsidiaries are included in selling, general and administrative expenses and manufacturing costs.

Research and development exepenses for the years ended March 31, 2011, 2010 and 2009, amounted to ¥7,895 million ($94,949 thousand), ¥8,410 million and ¥9,458 million, respectively.

11. Shareholders' Equity

The Companies Act of Japan requires that an amount equivalent to 10% of cash dividends must be appropriated as a legal reserve or as additional paid-in capital upon the payment of said cash dividends until the aggregate of the legal reserve and additional paid-in capital equals 25% of common stock. Under the Companies Act, the legal reserve and additional paid-in capital may be reversed without restriction on amount.

The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings may be transferred among the accounts under certain conditions by resolution of the ordinary general meeting of shareholders.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with the Companies Act.

Dividends are not accrued in the consolidated financial statements for the corresponding period, but are recorded in the subsequent accounting period after shareholders' approval has been obtained.

As of March 31, 2011, retained earnings included year-end dividends of ¥1,531 million ($18,407 thousand), or ¥4.00 ($0.05) per share, which was approved at the ordinary general meeting of shareholders held on June 29, 2011.

12. Per Share Data

Dividends per share shown in the consolidated statements of income have been presented on an accrual basis and include, in each fiscal year, dividends approved after the fiscal year-end but applicable to the fiscal year.

Basic net income per share is based on the weighted average number of shares of common stock outstanding during each fiscal year.

The number of shares used in calculating net income per share for the years ended March 31, 2011, 2010 and 2009, is as follows:

	Thousands of shares		
	2011	2010	2009
Basic	**382,319**	387,296	394,853
Diluted	—	—	—

Note: There are no shares of common stock with dilutive effects.

13. Cash Flow Information

In the year ended March 31, 2009, newly acquired subsidiaries NMB Mechatronics Co., Ltd. and myonic Holding GmbH and their 4 consolidated subsidiaries (NMB Mechatronics (Thailand) Co., Ltd., myonic GmbH, myonic Limited and myonic s.r.o.), were included in the Company's consolidated accounts. The composition of assets and liabilities at the time of acquisition of, and payments for acquisition of shares in these new consolidated subsidiaries is as follows:

NMB Mechatronics Co., Ltd.

	Millions of yen
Current assets	¥ 3,025
Fixed assets	657
Goodwill	2,335
Current liabilities	(3,101)
Long-term liabilities	(20)
Acquisition cost	2,896
Cash and cash equivalents	991
Payments for acquisition of shares in NMB Mechatronics Co., Ltd.	¥ 1,905

myonic Holding GmbH

	Millions of yen
Current assets	¥ 2,022
Fixed assets	1,433
Goodwill	3,718
Current liabilities	(1,419)
Long-term liabilities	(69)
Acquisition cost	5,685
Cash and cash equivalents	325
Payments for acquisition of shares in myonic Holding GmbH	¥ 5,360

14. Litigation

As of March 31, 2011, NMB-Minebea Thai Ltd., consolidated subsidiary in Thailand, received (1) a revised assessment of income tax liability in the amount of 502 million baht on August 25, 2008 and (2) another revised assessment of income tax liability in the amount of 125 million baht on August 25, 2010 from the Revenue Department of the Kingdom of Thailand. The Company has not accepted these revised assessments, believing them to be unjust and without legal grounds, and took the case to the Tax Court of the Kingdom of Thailand on August 25, 2009 following the petition for case (1), and petitioned the Revenues Department for redress for case (2).

Regarding case (1), the Company substantially won the case as a result of the decision by the Tax Court of the Kingdom of Thailand on October 13, 2010, however the Revenue Department was dissatisfied with this decision and appealed the case to the Supreme Court on December 9, 2010.

On September 22, 2008 and September 23, 2010, the assessments were paid in subrogation using a surety bond from a bank with which the Company does business.

15. Contingent Liabilities

As of March 31, 2011 and 2010, the Company guarantees bank loans of the following non-consolidated subsidiaries:

	Millions of yen		*Thousands of U.S. dollars (Note 3)*
	2011	2010	**2011**
Daiichi Seimitsu Sangyo Co., Ltd.	**¥30**	¥—	**$366**

16. Segment Information, etc.

a) Business segments

The Company and its consolidated subsidiaries are engaged in two business segments: machined components segment, which includes bearings and bearing-related products, notably ball bearings, rod-end and spherical bearings and pivot assemblies, as well as other machined components, such as fasteners, and special machined components; electronic devices and components segment, encompassing rotary components and other electronic devices and components, primarily PC keyboards and speakers.

Informations related to the business segments of the Company and its consolidated subsidiaries as of March 31, 2010 and 2009, and for the years then ended are as follows:

Millions of yen

Year ended March 31, 2010	*Machined Components*	*Electronic Devices and Components*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
Sales to external customers	¥107,088	¥121,358	¥228,446	¥ —	¥228,446
Internal sales	1,086	101	1,187	(1,187)	—
Total sales	108,174	121,459	229,633	(1,187)	228,446
Operating expenses	93,939	123,635	217,574	(1,187)	216,387
Operating income (loss)	14,235	(2,176)	12,059	—	12,059
Assets	157,276	147,883	305,159	(27,192)	277,967
Depreciation and amortization	10,339	10,801	21,140	—	21,140
Impairment losses	15	16	31	—	31
Capital expenditure	5,529	5,552	11,081	—	11,081

Millions of yen

Year ended March 31, 2009	*Machined Components*	*Electronic Devices and Components*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
Sales to external customers	¥115,872	¥140,291	¥256,163	¥ —	¥256,163
Internal sales	1,318	383	1,701	(1,701)	—
Total sales	117,190	140,674	257,864	(1,701)	256,163
Operating expenses	99,721	144,737	244,458	(1,701)	242,757
Operating income (loss)	17,469	(4,063)	13,406	—	13,406
Assets	162,194	154,893	317,087	(31,691)	285,396
Depreciation and amortization	11,636	12,352	23,988	—	23,988
Impairment losses	2	21	23	—	23
Capital expenditure	10,320	9,866	20,186	—	20,186

b) Geographic segments

Informations related to the geographic segments of the Company and its consolidated subsidiaries as of March 31, 2010 and 2009, and for the years then ended are as follows:

Millions of yen

Year ended March 31, 2010	*Japan*	*Asia (excluding Japan)*	*North America*	*Europe*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
Sales to external customers	¥ 54,065	¥119,333	¥31,137	¥23,911	¥228,446	¥ —	¥228,446
Internal sales	115,786	105,450	1,473	720	223,429	(223,429)	—
Total sales	169,851	224,783	32,610	24,631	451,875	(223,429)	228,446
Operating expenses	167,745	217,258	30,410	24,403	439,816	(223,429)	216,387
Operating income	2,106	7,525	2,200	228	12,059	—	12,059
Assets	93,663	203,617	23,027	18,189	338,496	(60,529)	277,967

Millions of yen

Year ended March 31, 2009	*Japan*	*Asia (excluding Japan)*	*North America*	*Europe*	*Total before Eliminations*	*Eliminations or Corporate*	*Total*
Sales to external customers	¥ 59,154	¥129,243	¥39,687	¥28,079	¥256,163	¥ —	¥256,163
Internal sales	127,868	119,406	2,038	1,105	250,417	(250,417)	—
Total sales	187,022	248,649	41,725	29,184	506,580	(250,417)	256,163
Operating expenses	185,761	240,401	38,892	28,120	493,174	(250,417)	242,757
Operating income	1,261	8,248	2,833	1,064	13,406	—	13,406
Assets	112,111	180,024	27,880	21,123	341,138	(55,742)	285,396

c) Overseas sales

Overseas sales of the Company and its consolidated subsidiaries for the years ended March 31, 2010 and 2009, are as follows:

Millions of yen

Year ended March 31, 2010	*To Asia (excluding Japan)*	*To North, Central and South America*	*To Europe*	*Total*
Overseas sales	¥121,311	¥26,874	¥25,204	¥173,389
Consolidated net sales				¥228,446
Overseas sales as a percentage of consolidated net sales	53.1%	11.8%	11.0%	75.9%

Millions of yen

Year ended March 31, 2009	*To Asia (excluding Japan)*	*To North, Central and South America*	*To Europe*	*Total*
Overseas sales	¥130,952	¥33,629	¥30,515	¥195,096
Consolidated net sales				¥256,163
Overseas sales as a percentage of consolidated net sales	51.2%	13.1%	11.9%	76.2%

d) Segment information

(Additional information)

In the year ended March 31, 2011, the Company has applied the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, revised on March 27, 2009) and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, issued on March 21, 2008).

Outline of reportable segments

The Company's reportable segments are components for which separated financial information is available and subject to periodical reviews in order for the Company's Board of Directors to determine the distribution of management resources and evaluate performance.

The Company establishes business units by product in key business locations, and each of the business unit formulates comprehensive domestic and overseas strategies of their products and deploy its business activities.

Thus, the Company consists of segments by product, base on business units, and the "Machined components segment", "Rotary components segment" and "Electronic devices and components segment" are determined to be the reportable segments.

Our core products in the machined components segment are mechanical parts, such as ball bearings, rod-end bearings, pivot assemblies for HDDs as well as fasteners for automobile and aircraft. The rotary components segment includes a wide variety of motors, such as information motors (fan motors, stepping motors, brushless DC motors, vibration motors and brush DC motors) and HDD spindle motors. The electronic devices and components segment consists of LCD backlights, inverters and measuring components.

Basis of calculation for amounts of net sales, profit or loss, assets, liabilities and other items by reportable segments

The accounting method for the reported operating segments is basicaley the same as those in note "2. Summary of Significant Accounting Policies."

Income of reportable segment is based on operating income (before amortization of goodwill). Internal sales are calculated based on distribution prices determined by comprehensive judgment considering market prices, manufacturing costs and other factors.

Information on amounts of net sales, profit or loss, assets, liabilities and other items by reportable segments

Informations related to the reportable segments of the Company and its consolidated subsidiaries as of March 31, 2011 and 2010, and for the years then ended are as follows:

Millions of yen

	Reportable segments							
Year ended March 31, 2011	*Machined components*	*Rotary components*	*Electronic devices and components*	*Total*	*Other*	*Total*	*Adjustment*	*Consolidated financial statements amount*
Sales to external customers	¥107,841	¥101,139	¥40,502	¥249,482	¥19,657	¥269,139	¥ —	¥269,139
Internal sales	2,888	1,623	1,885	6,396	5,678	12,074	(12,074)	—
Total sales	110,729	102,762	42,387	255,878	25,335	281,213	(12,074)	269,139
Segment income (loss)	28,088	(225)	4,160	32,023	498	32,521	(10,358)	22,163
Segment assets	77,796	72,374	18,280	168,450	10,857	179,307	111,785	291,092
Other items								
Depreciation and amorization	8,098	7,895	979	16,972	1,291	18,263	2,543	20,806
Increase in tangible and intangible fixed assets	10,783	9,490	1,515	21,788	825	22,613	4,722	27,335

Millions of yen

Year ended March 31, 2010	*Reportable segments* *Machined components*	*Rotary components*	*Electronic devices and components*	*Total*	*Other*	*Total*	*Adjustment*	*Consolidated financial statements amount*
Sales to external customers	¥99,291	¥74,185	¥35,780	¥209,256	¥19,190	¥228,446	¥ —	¥228,446
Internal sales	2,351	1,814	1,153	5,318	4,385	9,703	(9,703)	—
Total sales	101,642	75,999	36,933	214,574	23,575	238,149	(9,703)	228,446
Segment income (loss)	20,634	(1,827)	5,385	24,192	(685)	23,507	(11,448)	12,059
Segment assets	79,507	64,488	14,898	158,893	19,911	178,804	99,163	277,967
Other items								
Depreciation and amorization	8,017	7,887	953	16,857	1,472	18,329	2,811	21,140
Increase in tangible and intangible fixed assets	4,122	3,516	592	8,230	460	8,690	2,391	11,081

Thousands of U.S. dollars (Note 3)

Year ended March 31, 2011	*Reportable segments* *Machined components*	*Rotary components*	*Electronic devices and components*	*Total*	*Other*	*Total*	*Adjustment*	*Consolidated financial statements amount*
Sales to external customers	**$1,296,948**	**$1,216,344**	**$487,099**	**$3,000,391**	**$236,407**	**$3,236,798**	**$ —**	**$3,236,798**
Internal sales	**34,728**	**19,518**	**22,674**	**76,920**	**68,292**	**145,212**	**(145,212)**	**—**
Total sales	**1,331,676**	**1,235,862**	**509,773**	**3,077,311**	**304,699**	**3,382,010**	**(145,212)**	**3,236,798**
Segment income (loss)	**337,803**	**(2,703)**	**50,035**	**385,135**	**5,991**	**391,126**	**(124,574)**	**266,552**
Segment assets	**935,613**	**870,401**	**219,845**	**2,025,859**	**130,580**	**2,156,439**	**1,344,376**	**3,500,815**
Other items								
Depreciation and amorization	**97,390**	**94,947**	**11,773**	**204,110**	**15,527**	**219,637**	**30,585**	**250,222**
Increase in tangible and intangible fixed assets	**129,688**	**114,131**	**18,218**	**262,037**	**9,927**	**271,964**	**56,790**	**328,754**

Notes: 1. The classification “Other” is the operating segment which is not included in the reportable segments. Its products are mainly PC keyboards, speakers and defense related products.

2. The content of the adjustment is as follows:

(i) The major portion of adjustment to segment income or loss is amortization of goodwill (–¥1,321 million (–$15,883 thousand) for the year ended March 31, 2011, –¥1,352 million for the year ended March 31, 2010), and corporate expenses such as general & administrative expenses and research and development expenses that do not belong to the reportable segments (–¥8,921 million (–$107,285 thousand) for the year ended March 31, 2011, –¥9,656 million for the year ended March 31, 2010).

(ii) Adjustment to segment assets is unamortized goodwill (¥5,555 million ($66,808 thousand) as of March 31, 2011, ¥7,001 million as of March 31, 2010), and assets related to administrative divisions that do not belong to the reportable segments (¥106,230 million ($1,277,568 thousand) as of March 31, 2011, ¥92,162 million as of March 31, 2010).

(iii) The major portion of adjustment to depreciation and amortization is depreciation and amortization of equipment related to administrative divisions that do not belong to the reportable segments.

(iv) The major portion of adjustment to increase in tangible and intangible fixed assets is capital investments in equipment related to administrative divisions that do not belong to the reportable segments.

3. Segment income (loss) is reconciliated to for operating income in the consolidated financial statements.

e) Related information
Information by geographical area

Year ended March 31, 2011	*China*	*Japan*	*Thailand*	*Europe*	*U.S.A.*	*Others*	*Total*
							Millions of yen
Net sales	**¥71,543**	**¥63,308**	**¥36,470**	**¥26,296**	**¥26,225**	**¥45,297**	**¥269,139**

Year ended March 31, 2011	*China*	*Japan*	*Thailand*	*Europe*	*U.S.A.*	*Others*	*Total*
							Thousands of U.S. dollars (Note 3)
Net sales	**$860,408**	**$761,377**	**$438,605**	**$316,250**	**$315,395**	**$544,763**	**$3,236,798**

As of March 31, 2011	*Thailand*	*Japan*	*China*	*Others*	*Total*
					Millions of yen
Tangible fixed assets	**¥65,914**	**¥24,882**	**¥17,210**	**¥16,090**	**¥124,096**

As of March 31, 2011	*Thailand*	*Japan*	*China*	*Others*	*Total*
					Thousands of U.S. dollars (Note 3)
Tangible fixed assets	**$792,709**	**$299,249**	**$206,975**	**$193,512**	**$1,492,445**

f) Information related to impairment losses of fixed assets by reportable segments

	Reportable segments						*Millions of yen*
Year ended March 31, 2011	*Machined components*	*Rotary components*	*Electronic devices and components*	*Total*	*Other*	*Corporate*	*Total*
Impairment losses	**¥—**	**¥248**	**¥—**	**¥248**	**¥—**	**¥306**	**¥554**

	Reportable segments						*Thousands of U.S. dollars (Note 3)*
Year ended March 31, 2011	*Machined components*	*Rotary components*	*Electronic devices and components*	*Total*	*Other*	*Corporate*	*Total*
Impairment losses	**$—**	**$2,981**	**$—**	**$2,981**	**$—**	**$3,679**	**$6,660**

17. Subsequent Events

In accordance with Article 370 of the Companies Act (a written resolution in lieu of a resolution passed at a board of directors meeting), the Company's Board of Directors passed a resolution on May 17, 2011 concerning the purchase of treasury stocks pursuant to Article 156 of the Companies Act applied in accordance with Article 165, Paragraph 3 of the said act.

1. Reason for purchase
The Company decided to purchase treasury stocks in order to implement an agile capital policy in response to changes in the business environment.

2. Details of purchase

(1) Type of shares to be purchased:	Shares of common stock of the Company
(2) Aggregate number of shares to be purchased:	Up to a maximum of 5 million shares
(3) Aggregate purchase amount:	Up to a maximum of ¥2,100 million ($25,256 thousand)
(4) Purchase period:	From May 23, 2011 through November 22, 2011

Internal Control Report

1. Framework of Internal Control Over Financial Reporting

The management of Minebea Co., Ltd., is responsible for the design and operation of the internal control over financial reporting ("ICOFR") that is performed by Minebea Co., Ltd. as well as that performed by its consolidated subsidiaries (collectively "Minebea Group"). Therefore, in accordance with the report "On the Setting of the Standards and Practice Standards for Management Assessments and Audit Concerning Internal Control Over Financial Reporting (Council Opinions)" (issued by the Business Accounting Council on February 15, 2007), management ensures that processes include basic internal control elements and are designed and operated appropriately in compliance with the basic framework of internal control, and also that the information contained in financial reports prepared by the Minebea Group is both appropriate and reliable.

However, internal control may not function effectively in cases where errors in judgment are made, there is carelessness or when a group of employees conspire to thwart said control. Furthermore, internal control may not apply in the event of unforeseeable changes to internal or external environments or for irregular transactions. For these reasons internal control over financial reporting is not absolutely effective in achieving its purposes and may not always be able to prevent or discover material misstatements contained in financial reports.

2. Assessment Scope, Timing and Procedures

Basis of Presenting Internal Control Report

The report on ICOFR of the consolidated financial statements of Minebea Co., Ltd. ("Internal Control Report") is prepared on the basis of generally accepted assessment standards of internal control over financial reporting in Japan ("Assessment Standards") and is compiled from the Internal Control Report prepared by Minebea Co., Ltd. as required by the Financial Instruments and Exchange Act of Japan ("Act").

The Assessment Standards require management to assess the ICOFR, which consists of the internal control over the consolidated/parent-only financial statements included in the Annual Securities Report filed under the Act and the internal control over disclosure information and others included in the Annual Securities Report that materially affects the reliability of the financial statements.

The scope of management's assessment of ICOFR in this annual report is different from the scope required by the Assessment Standards. Management assessment of ICOFR for this annual report covers the ICOFR with respect to the accompanying consolidated financial statements only. In addition, as explained in Note 1 on the basis of presenting financial statement, the accompanying consolidated financial statements are reclassified and additional information are provided from the consolidated financial statements prepared for the purpose of the Act. The process of making reclassifications and the addition of certain information is for the convenience of readers outside Japan. Management voluntarily includes the process in its assessment of ICOFR, even though it is outside the scope of the Assessment Standards.

Scope of Assessment

The reference date for the assessment of ICOFR was March 31, 2011, the end of the current fiscal year, and the assessment of the Minebea Group was carried out based on the Assessment Standards.

The basic assessment procedures consisted of providing relevant personnel with questionnaire sheets and checklists after analyzing and understanding the details of both internal control with a significant impact on all consolidated financial reporting ("entity-level internal control") and internal control over accounting and financial reporting process; collecting their replies; making further inquiries to relevant personnel based on the answers to the questionnaires and checklists; inspecting relevant documents and verifying related records; and then selecting internal control incorporated into process in order to be performed simultaneously with the implementation of said process ("process-level internal control") to be assessed based on those results.

In order to assess the effectiveness of the process-level internal control described above, the details of the processes subject to assessment were first examined for the purpose of proper understanding and analysis. Key controls that were considered to have significant influence to the reliability of financial reporting were then identified and the design and operation statuses of those key controls were assessed accordingly.

For the scope of evaluation for ICOFR, assessment was carried out on entity-level internal control and internal control over accounting and financial reporting process which have a significant effect on the Minebea Group's consolidated financial reporting and for which it was considered appropriate to carry out assessment of design and operation status from a entity-level standpoint. This assessment was carried out at all of our business locations excluding 3 consolidated subsidiaries which were determined quantitatively and qualitatively insignificant.

For the scope of assessment for process-level internal control, 10 of our business locations were identified as significant business locations by using the accumulated data of each companies prior to consolidation elimination of the previous fiscal year and setting "total assets", "net assets", "sales" and "income before income taxes and minority interests" as selection indicators which showed that these 10 business locations made up approximately 70% or greater of the above accumulated data for the selection indicators. Then, processes which affect sales, accounts receivables and inventories, which are the accounts closely associated with Minebea Group's business objectives, were assessed for these 10 business locations.

In addition, by considering the impact to the consolidated financial reporting, other significant processes were also included in the assessment.

3.Results of Assessment

Management concluded that as of March 31, 2011, ICOFR of the Minebea Group was effective.

4.Supplementary Information

Not applicable.

5.Other

Not applicable.

Yoshihisa Kainuma
Representative Director, President and Chief Executive Officer
June 29, 2011

KPMG

Independent Auditors' Report

To the Board of Directors of
Minebea Co., Ltd.:

Financial Statement Audit

We have audited the accompanying consolidated balance sheets of Minebea Co., Ltd. and consolidated subsidiaries as of March 31, 2011 and 2010, the related consolidated statements of income and comprehensive income for the year ended March 31, 2011, the consolidated statements of income for the years ended March 31, 2010 and 2009, and the consolidated statements of changes in net assets and cash flows for each of the years in the three-year period ended March 31, 2011, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Minebea Co., Ltd. and subsidiaries as of March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for each of the years in the three-year period ended March 31, 2011, in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 3 to the consolidated financial statements.

Internal Control Audit

We also have audited the accompanying report on internal control over financial reporting of the consolidated financial statements of Minebea Co., Ltd. as of March 31, 2011 ("Internal Control Report"). The design and operation of internal control over financial reporting and the preparation of the Internal Control Report are the responsibility of the Company's management. Our responsibility is to independently express an opinion on the Internal Control Report based on our audit. Internal control over financial reporting may not completely prevent or detect financial statement misstatements.

We conducted our internal control audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Internal Control Report is free of material misstatement. An internal control audit is performed on a test basis and includes evaluating the appropriateness of the scope, procedures and result of the assessment determined and presented by management and the overall Internal Control Report presentation. We believe that our internal control audit provides a reasonable basis for our opinion.

In our opinion, the Internal Control Report referred to above, in which Minebea Co., Ltd. states that internal control over financial reporting of the consolidated financial statements was effective as of March 31, 2011, presents fairly, in all material respects, the assessment of internal control over financial reporting in conformity with assessment standards for internal control over financial reporting generally accepted in Japan.

KPMG AZSA LLC

Tokyo, Japan
June 29, 2011