

The following is an English translation of the Notice of the 65th Ordinary General Meeting of Shareholders of Minebea Co., Ltd., to be held on June 29, 2011.
The Company provides this translation for your reference and convenience only and without any guarantee as to its accuracy or otherwise.

Securities Code 6479

June 7, 2011

To the Shareholders

4106-73, Oaza Miyota, Miyota-machi,
Kitasaku-gun, Nagano Prefecture

Minebea Co., Ltd.
Yoshihisa Kainuma
Representative Director

Notice of the 65th Ordinary General Meeting of Shareholders

The 65th Ordinary General Meeting of Shareholders of Minebea Co., Ltd. (“Company”) (hereinafter the “Meeting”) will be held as indicated below. You are hereby cordially invited to attend the Meeting.

If you are unable to attend the Meeting, you may exercise your voting rights as a Shareholder in writing or via the Internet. In that event, please examine the contents of the reference documents attached herein and vote in accordance with the guidance on voting set forth in “Guidance on Exercising Voting Rights” the following page by 5:30 p.m., Tuesday, June 28, 2011.

Particulars of the Meeting

1. Time:

Wednesday, June 29, 2011, beginning at 10:00 a.m.

2. Place:

Convention Hall Asama
Karuizawa Prince Hotel West
Karuizawa, Karuizawa-machi, Kitasaku-gun, Nagano
(Please see the map provided at the end of this document.)

3. Purpose:

To report on:

- 1) The Business Report, the Consolidated Financial Statements for the 65th business year (April 1, 2010 to March 31, 2011), and the Audit Report on the Consolidated Financial Statements by the Independent Auditors and Board of Corporate Auditors
- 2) The Non-Consolidated Financial Statements for the 65th business year (April 1, 2010 to March 31, 2011)

To vote on:

First Proposal:

Appropriation of Surplus

Second Proposal:

Partial Amendments to the Articles of Incorporation

Third Proposal:

Election of Ten (10) Directors

Fourth Proposal:

Election of Three (3) Auditors

Fifth Proposal:

Renewal of Countermeasures to Large-Scale Acquisitions of the Company’s Shares (Takeover Defense Measures)

(Translation)

4. Guidance on Exercising Voting Rights:

(1) Exercise of your voting rights by sending the voting ballot card by mail

Please mark your vote for or against each proposal on the enclosed voting ballot, and return the voting ballot by 5:30 p.m., Tuesday, June 28, 2011.

(2) Exercise of your voting rights via the Internet

If you would exercise your voting rights via the Internet, please do so by 5:30 p.m., Tuesday, June 28, 2011, after seeing page 3 “Procedures Required for Exercising Voting Rights via the Internet.”

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1. If you are able to attend the Meeting, you are requested to bring the voting ballot enclosed herein to the Meeting and hand it to the receptionist.
 2. If any revisions occur to the contents of the reference documents for the Meeting, the business report or the consolidated and non-consolidated financial statements up to the day prior to the date of the Meeting, we will notify in writing sent by mail or post it on our web site (<http://www.minebea.co.jp/>).

(Translation)

Procedures Required for Exercising Voting Rights via the Internet

Please kindly note the following when you would exercise your voting rights via the Internet.

1. You would be able to exercise your voting rights via the Internet only by accessing the Voting Rights Exercise Site designated by the Company. You may also do so via the Internet utilizing your mobile phone. The Voting Rights Exercise Site: <http://www.webdk.net>
2. When you would exercise your voting rights via the Internet, please use the code and initial password that are indicated on the voting ballot, follow the guidance on the screen and vote for or against each proposal.
3. The deadline for the exercise of voting rights via the Internet is 5:30 p.m., Tuesday, June 28, 2011; however, we ask that you vote as quickly as possible in order to facilitate the tabulation of voting results.
4. If you exercise your voting rights twice both by mail and via the Internet, the voting via the Internet shall prevail.
5. In the case of where you exercise your voting rights more than once via the Internet, the last vote shall prevail.
6. Please be further informed that you must pay for all charges incurred in exercising your voting rights via the Internet, such as for the dial-up connection with your Internet provider and/or for telecommunication.

Systems Environment Required for Exercising Voting Rights via the Internet

To utilize the Voting Rights Exercise Site, you would need the following system environment:

1. Access to the Internet
2. If you access the Internet site for the voting rights exercise via PC, Microsoft® Internet Explorer Version 6.0 is a minimum requirement as the Internet browser software, and the hardware that enables this software.
3. If you access the Internet site for the voting rights exercise via mobile phone, the mobile phone must be capable of 128-bit SSL communication (encrypted communication).

(For security purposes, only 128-bit SSL communication compatible phones are accessible to the online voting system. Other models may not be compatible with this system. You may also exercise your voting rights using the full browser function of mobile phones, including smartphones, but please note that such exercise may not be possible depending on the mobile phone model.)

(Microsoft is a registered trademark of Microsoft Corporation in the U.S.A. and other countries.)

Inquiry on Exercising Voting Rights via the Internet

If you have any question on any of the aforementioned matters, please dial **0120-186-417** (9 a.m. to 9 p.m.) to contact our agent to manage shareholders registry: Stock Transfer Agency Department of The Sumitomo Trust & Banking Co., Ltd., Tokyo, Japan. For any other inquiries, please dial **0120-176-417** (9 a.m. to 5 p.m.).

The Electronic Voting Rights Exercise Platform

In the event nominee shareholders (including standing proxies) such as trust banks have applied in advance for using the electronic voting rights exercise platform operated by a joint company established by the Tokyo Stock Exchange Group, Inc. (ICJ Co., Ltd.), they may use that platform instead of the aforementioned Internet-based method as a means to exercise voting rights electronically for the General Meeting of Shareholders of the Company.

(Translation)

(Attached Documents)

Business Report (April 1, 2010 to March 31, 2011)

1. Status of the Corporate Group

(1) Operating Performance of the Fiscal Year

(i) Operating Performance

During the fiscal year ended March 31, 2011, the Japanese economy saw a moderate recovery, such as an improvement in corporate earnings and a turnaround in capital spending, although the employment environment remained severe. The massive earthquake (the Pacific coast of Tohoku Earthquake) that rocked northeastern Japan on March 11 and the resulting tsunami that crippled the nuclear power plant at Fukushima not only devastated the areas of immediate impact but also sent shockwaves 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 a moderate recovery, such as improved corporate earnings, helped by the effectiveness of economic stimulus measures and the recovery of overseas economies, despite slow personal consumption due to the continued high unemployment. In Europe, the economies tended to turn around as a whole, although they differed greatly from one country to another. The Chinese economy expanded, supported chiefly by domestic demand due to an active fiscal stimulus package, and other Asian economies were also firm mainly due to exports to China.

Under these management circumstances, although we strove to implement sweeping cost reduction measures, develop new technologies and high value-added products, and promote sales expansion activities, in order to further increase earnings. Owing to the improved market conditions and other business factors, sales substantially increased and profits improved, although they were affected by the appreciation of the Japanese yen.

As a result, net sales increased ¥40,693 million (17.8%) year on year, to ¥269,139 million, and operating income increased ¥10,104 million (83.8%) year on year, to ¥22,163 million. Ordinary income increased ¥10,161 million (99.6%) year on year, to ¥ 20,364 million, and net income increased ¥5,803 million (87.1%) to ¥12,465 million.

Performance by business segment is as follows:

Machined Components Business

Our products in the Machined components business segment include ball bearings, which are our mainstay product; mechanical components such as rod-end bearings primarily for use in aircraft and pivot assemblies for use in hard disk drives (HDDs) and fasteners for automobiles and aircraft. Sales of ball bearings and rod-end bearings, our mainstay products, were buoyed by an upbeat market. Pivot assemblies sales remained flat due to the strong yen despite an increased sales volume to the hard disc industry, our primary market. Net sales for this fiscal year totaled ¥107,841 million, up ¥8,550 million (8.6%) year on year. Operating income increased ¥7,454 million (36.1%) to total ¥28,088 million due to ongoing efforts to lower costs via improvements to basic technologies, product technologies and manufacturing techniques.

Rotary Components Business

Our core products in the Rotary components business are information motors (fan motors, stepping motors, DC brushless motors, vibration motors and DC brush motors), HDD spindle motors and other precision motors. Information motor sales were up thanks to better market conditions as well as the addition of DC brushless motors to our product line. Sales of HDD spindle motors were affected by the appreciation of the Japanese yen, but increased owing to solid performance in the hard disc industry, our sale destination. These factors brought net sales up ¥26,954 million (36.3%) year on year to total ¥101,139 million. A drop in sales of precision motors had a significant impact on our bottom line despite ongoing cost reduction efforts aimed at information motors (excluding vibration and DC brush motors). The decline brought sales down ¥1,602 million year on year with an operating loss totaling ¥224 million.

Electronic Devices and Components Business

Our core products in the Electronic devices and components business are LCD backlights, inverters and measuring instruments. Resulting net sales totaled ¥40,502 million for a year on year increase of ¥4,722 million (13.2%). Operating income fell ¥1,224 million (-22.7%) year on year to ¥4,160 million as the discontinuation of some measuring component products narrowed down the profit margin.

(Translation)

Other Businesses

Our main products in the Other businesses are PC keyboards, speakers and defense related special components. Net sales increased ¥468 million (2.4%) year on year to ¥19,657 million. At the same time the turnaround in the keyboard and other businesses brought operating income up ¥1,182 million year on year to total ¥498 million.

Other than the above, operating income on the consolidated statements of income for the fiscal year includes ¥10,358 million of corporate expenses, etc. not belonging to each segment as adjustments. Adjustments for the previous fiscal year amounted to ¥11,447 million on a consolidated basis.

(ii) Capital Expenditures

During the consolidated fiscal year under review, capital expenditures were ¥10,783 million for the Machined Components Business, ¥9,489 million for the Rotary Components Business, ¥1,514 million for the Electronic Devices and Components Business, ¥825 million for the Other Businesses and ¥4,722 million for adjustment, totaling ¥27,335 million.

The main capital expenditures for the Machined Components Business were equipments for increasing the production and product rationalization which for production of bearings and other components, and equipments for increasing the production of HDD pivot assemblies in Thailand, China, Singapore and the U.S. The main capital expenditures for the Rotary Components Business were equipments for spindle motors in Thailand and equipments for information motors in Thailand, China and other countries. The main capital expenditures for the Electronic Devices and Components Business were LCD backlights in Thailand and China. Capital expenditures include ¥343 million in intangible fixed assets and a ¥248 million increase in assets from new finance lease contracts.

(iii) Financing

Funds allocated for capital expenditures and the redemption of corporate bonds for the consolidated fiscal year under review came from our own funds and borrowings.

At the end of the consolidated fiscal year under review, borrowings including corporate bonds stood at ¥133,212 million.

(iv) Business Transfer, Absorption-type Demerger, Incorporation-type Demerger

There are no important matters to be reported.

(v) Acceptance of Other Companies' Businesses

There are no important matters to be reported.

(vi) Succession to Rights and Obligations pertaining to Business of other Judicial Persons or Entities due to Absorption-type Merger or Demerger

There are no important matters to be reported.

(vii) Acquisition or Disposition of Shares, other Equity or Stock Acquisition Rights, etc. of other Companies

There are no important matters to be reported.

(Translation)

(2) Financial Position and Profit/Loss in Recent 3 Years

(i) Financial position and profit/loss of the Corporate Group

	Fiscal 2008 (4/07-3/08)	Fiscal 2009 (4/08-3/09)	Fiscal 2010 (4/09-3/10)	Fiscal 2011 (4/10-3/11)
Net sales (millions of yen)	334,431	256,163	228,446	269,139
Ordinary income (millions of yen)	27,691	11,555	10,203	20,364
Net income (millions of yen)	16,303	2,441	6,662	12,465
Net income per share (yen)	40.86	6.18	17.20	32.61
Total assets (millions of yen)	320,544	285,396	277,967	291,092
Net assets (millions of yen)	131,730	106,762	108,381	109,967

Note: Amounts less than ¥1 million are omitted.

(ii) Financial position and profit/loss of the Company

	Fiscal 2008 (4/07-3/08)	Fiscal 2009 (4/08-3/09)	Fiscal 2010 (4/09-3/10)	Fiscal 2011 (4/10-3/11)
Net sales (millions of yen)	225,071	175,066	158,011	201,058
Ordinary income (millions of yen)	12,265	8,627	6,753	9,012
Net income (millions of yen)	4,304	3,770	5,221	4,817
Net income per share (yen)	10.79	9.55	13.48	12.60
Total assets (millions of yen)	336,870	316,688	311,837	323,792
Net assets (millions of yen)	180,058	172,754	173,026	174,926

Note: Amounts less than ¥1 million are omitted.

(3) Principal parent company and subsidiaries

(i) Relationship with parent company

Not Applicable

(ii) Principal subsidiaries

Name	Location	Common stock	Voting rights ratio	Main business lines
Minebea Motor Manufacturing Corporation	Meguro-ku, Tokyo	¥10,000 million	60.0%	Manufacture and sales of rotary components and parts
NMB-Minebea Thai Ltd.	Thailand	BAHT15,305,363 thousand	100.0%	Manufacture and sales of machined components, rotary components, electronic devices, components and others
NMB (USA) Inc.	U.S.A.	US\$311,093 thousand	100.0%	Holding company
NMB Technologies Corporation	U.S.A.	US\$6,800 thousand	100.0% (100.0%)	Sales of machined components, rotary components and others
New Hampshire Ball Bearings, Inc.	U.S.A.	US\$94,000 thousand	100.0% (100.0%)	Manufacture and sales of bearings
MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD.	China	US\$239,060 thousand	100.0%	Manufacture and sales of machined components, rotary components, electronic devices, components and others
MINEBEA (HONG KONG) LIMITED	China	HK\$100,000 thousand	100.0%	Sales of machined components, rotary components, electronic devices and others

Note: Figures in parentheses for the voting rights ratio in the above table show the ratio of indirect ownership.

(Translation)

(4) Tasks to Be Accomplished

The Minebea Group has adopted the following five principles as its basic policy for management.

- 1) Be a company where our employees are proud to work
- 2) Earn and preserve the trust of our valued customers
- 3) Respond to our shareholders' expectations
- 4) Work in harmony with the local community
- 5) Promote and contribute to global society

Under this basic management policy, we have actively addressed the development of high value-added products and the sophistication of product quality. In addition we have focused company resources on areas where we can display ultra-precision machining technologies and mass production technologies that are both the source of our competitiveness. At the same time, we have strengthened our operations based on financial improvements, and have striven to practice a transparent management form that is easier to understand within and across the company.

Furthermore, as a key theme in the development of business in various parts of the world, we have continued our commitment to environmental protection activities.

In accordance with the basic management policies as mentioned earlier, we aim to improve profitability and enhance corporate value based on a "vertically integrated manufacturing system" that takes advantage of "ultraprecision machining technologies", "large-scale volume production system," and "well-developed R&D system," which have been established worldwide, in order to ensure our place as "a company that leads the competition through manufacturing and technological excellence".

Our growth drivers to achieve this goal and sustainable growth are "utilization of the vertical and horizontal collective strengths of our group" and "increase of corporate values through M&As and alliances" in addition to "development of new products," "improvement of existing products," "constant improvement of production technologies," etc.

- (i) In ball bearings, create and expand new demands by strengthening production capacity of miniature ball bearings that have much potential for growth and developing new products (micro miniature ball bearings and other key products). We will also focus on manufacturing and selling low-priced products and medium-size ball bearings to emerging markets.
- (ii) We will lay the foundation needed to increase pivot assembly and ball bearing production in order to keep pace with the growing demand from hard disk drive-related markets.
- (iii) In the spindle motor business, we will strive for earnings improvement by responding to market demands and at the same time, implementing increased production and cost reductions.
- (iv) To further reinforce aircraft parts for which demand is expected to increase, build our operations in the area of aircraft mechanical parts using advanced machining technologies, in addition to existing rod-end and spherical bearings.
- (v) We will aim for increase of sales and earnings by achieving substantially increased production of LED backlights.
- (vi) Build our operations in the area of fan motors and other precision small motors into a second pillar of our operations after bearings and bearing-related products.
- (vii) Increase the ratio of high-value-added products in all product categories and diversify offerings to serve a broader market.
- (viii) We will strengthen our ability to provide flexible prices and ability to satisfy the requirements of our customers by always considering the re-organization of our business portfolios and demonstrating across-the-board management resources covering manufacturing, sales and marketing, engineering and development.
- (ix) We will aim for new market cultivation and sales increase by combining technologies in our electronic devices and components and machined components, as well as cultivating hybrid products.
- (x) We will strive for improved results by aggressively undertaking thorough and full-scale cost reduction initiatives as well as furthering the strengthening of our business structure.
- (xi) We will continue to keep an eye out for optimal production locations in order to minimize regional risks and be ready to expand production to multiple locations.

We look forward to the continued support and guidance of our shareholders.

(Translation)

(5) Main business lines (As of March 31, 2011)

Classification	Products
Machined components business	Ball bearings, rod-end bearings, pivot assemblies for use in hard disk drives (HDDs) and fasteners for automobile and aircraft, etc.
Rotary components business	Information motors (fan motors, stepping motors, DC brushless motors, vibration motors and DC brush motors) and HDD spindle motors, etc.
Electronic devices and components business	LCD backlights, inverters and measuring instruments, etc.
Other businesses	PC keyboards, speakers and defense related special components

(6) Major offices and plants (As of March 31, 2011)

(i) The Company's major offices and plants

Head Office	Miyota-machi, Kitasaku-gun, Nagano Prefecture
Tokyo Head Office	Meguro-ku, Tokyo
Plants	Karuizawa Plant (Miyota-machi, Kitasaku-gun, Nagano Prefecture) Hamamatsu Plant (Fukuroi-shi, Shizuoka Prefecture) Fujisawa Plant (Fujisawa-shi, Kanagawa Prefecture) Omori Plant (Ota-ku, Tokyo)
Sales Offices	Tokyo Branch (Meguro-ku, Tokyo) West Kanto Branch (Hachioji-shi, Tokyo) Nagoya Branch (Nagoya-shi, Aichi Prefecture) Osaka Branch (Osaka-shi, Osaka Prefecture)

(ii) Major subsidiaries' offices and plants

Indicated in (3) Principal parent company and subsidiaries, (ii) Principal subsidiaries.

(7) Employees of the Corporate Group (As of March 31, 2011)

(i) Employees of the Corporate Group

Classification	Number of employees	Increase (decrease) from the end of the previous year
Machined components business	17,856	723
Rotary components business	26,178	3,792
Electronic devices and components business	6,198	773
Other businesses	3,060	(602)
Whole company	535	50
Total	53,827	4,736

Notes:

1. The number of employees is the number that is at work.
2. The "Whole company" refers to employees in the administration department but not under either business segment.

(ii) Employees of the Company

Number of employees	Increase (decrease) from the end of the previous year	Average age	Average of working years
2,844	30	41.3	16.9

Note: The number of employees is the number that is at work.

(Translation)

(8) Major lenders (As of March 31, 2011)

Lenders	Outstanding borrowing (millions of yen)
Syndicate loans	42,000
The Sumitomo Trust and Banking Co., Ltd.	24,721
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	20,036
Sumitomo Mitsui Banking Corporation	19,776
The Hachijuni Bank, Ltd.	3,700
Mizuho Corporate Bank, Ltd.	2,838

Notes:

- 1. The syndicate loan refers to the total amount of 4 syndicate loans which are organized by 2 from The Sumitomo Trust and Banking Co., Ltd., 1 from The Bank of Tokyo-Mitsubishi UFJ, Ltd. and 1 from Sumitomo Mitsui Banking Corporation.*
- 2. The Company has entered into a commitment line agreement with major financial correspondents in the total amount of ¥10,000 million in order to effectively finance the running cost. As of the end of current consolidated fiscal year, there is no borrowing under this agreement.*

(9) Other Important Matters relating to Current Status of Corporate Group

There are no important matters to be reported.

(Translation)

2. Shares of the Company

(1) Overview of Shares (As of March 31, 2011)

(i) Total number of shares authorized: 1,000,000,000 shares

(ii) Number of shares issued: 399,167,695 shares

(iii) Number of shareholders: 20,644 persons

(iv) Major shareholders (top 10 shareholders):

Name of shareholders	Number of shares (thousands)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Trust account)	30,356	7.91
The Master Trust Bank of Japan, Ltd. (Trust account)	28,793	7.50
Japan Trustee Services Bank, Ltd. (Trust account 9)	18,664	4.86
Japan Trustee Services Bank, Ltd. (Trust account 4)	16,599	4.32
The Sumitomo Trust and Banking Co., Ltd.	15,349	4.00
KEIAISHA Co., Ltd.	15,000	3.91
Takahashi Industrial and Economic Research Foundation	12,347	3.22
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,057	2.62
Sumitomo Mitsui Banking Corporation	10,000	2.60
Trust & Custody Services Bank, Ltd (Securities investment trust account)	5,603	1.46

Notes:

1. The Company holds 15,240,203 shares of treasury stock, which are excluded from the major shareholders.
2. Shareholding ratio is calculated exclusive of treasury stock.

(2) Matters relating to Stock Acquisition Rights, etc.

Not Applicable

(Translation)

3. Corporate Officers

(1) Directors and Corporate Auditors (As of March 31, 2011)

Title	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Representative Director, President and Chief Executive Officer	Yoshihisa Kainuma	
Director, Vice President and Senior Managing Executive Officer	Koichi Dosho	Officer in charge of Sales at HDD Motor Business Headquarters; Officer in charge of EMT Business Unit at Rotary Component Business Headquarters
Director, Senior Managing Executive Officer	Hiroharu Katogi	Officer in charge of Operation and Planning Division
Director, Senior Managing Executive Officer	Akihiro Hirao	Officer in charge of Engineering Support Division; Chief of Special Device Business Headquarters; Officer in charge of Engineering at HDD Motor Business Headquarters
Director, Senior Managing Executive Officer	Eiichi Kobayashi	Chief of HDD Motor Business Headquarters
Director, Senior Managing Executive Officer	Hiroyuki Yajima	Chief of Machined Component Business Headquarters; Head of Ball Bearing Business Unit
Director, Senior Managing Executive Officer	Masayoshi Yamanaka	Officer in charge of Sales Division
Director, Senior Managing Executive Officer	Hiroataka Fujita	Chief of Rotary Component Business Headquarters; Head of Information Motor Business Unit President and Representative Director of Minebea Motor Manufacturing Corporation
Director	Kohshi Murakami	Attorney at law
Director	Takashi Matsuoka	Senior Managing Director, KEIAISHA Co., Ltd.
Standing Corporate Auditor	Akifumi Kamo	
Standing Corporate Auditor	Kazuaki Tanahashi	
Corporate Auditor	Isao Hiraide	Certified Public Tax Accountant
Corporate Auditor	Hiroataka Fujiwara	Attorney at law

Notes:

1. Messrs. Kohshi Murakami and Takashi Matsuoka are Outside Directors. Mr. Kohshi Murakami is Independent Director notified pursuant to the provisions of the financial instruments exchange.
2. Messrs. Kazuaki Tanahashi, Isao Hiraide and Hiroataka Fujiwara are Outside Corporate Auditors. Mr. Hiroataka Fujiwara is an Independent Auditor notified pursuant to the provisions of the financial instruments exchanges.
3. Corporate Auditor Mr. Kazuaki Tanahashi has been for many years engaged in financial affairs in a commercial bank and has considerable knowledge of finances and accounting.
4. Corporate Auditor Mr. Isao Hiraide is familiar with tax services as a certified public tax accountant and has considerable knowledge of finance and accounting.
5. Corporate Auditor Mr. Hiroataka Fujiwara is familiar with business law services as a lawyer and has considerable knowledge of finances and accounting.
6. Corporate Auditor Mr. Tosei Takenaka resigned at the completion of the 64th Ordinary General Meeting of Shareholders that was held on June 29, 2010.

(Translation)

(2) Amount paid as remuneration to Directors and Corporate Auditors

Categories	Number of persons to be paid	Amount of remuneration, etc.
Directors	10	¥360,095 thousand
(Outside Directors)	(2)	(¥12,120 thousand)
Corporate Auditors	5	¥56,500 thousand
(Outside Corporate Auditors)	(3)	(¥32,683 thousand)
Total	15	¥416,595 thousand

Notes:

1. Mr. Tosei Takenaka who resigned at the completion of the 64th Ordinary General Meeting of Shareholders that was held on June 29, 2010 is included above.
2. The remuneration for Directors excludes the salary to be paid for service as officer or employee for a Director who concurrently holds a post of officer or employee of the Company.
3. The Company resolved that the maximum annual remuneration for Directors shall be not more than ¥500 million (this amount includes maximum annual remuneration of ¥20 million for Outside Directors) at the 61st Ordinary General Meeting of Shareholders held on June 28, 2007.
4. The Company resolved that the maximum annual remuneration for Corporate Auditors shall be not more than ¥100 million at the 61st Ordinary General Meeting of Shareholders held on June 28, 2007.
5. The above amount of remuneration, etc. includes ¥22,623 thousand paid as bonuses to directors during the current business year and ¥71,517 thousand reported as allowance for bonuses to directors.
6. The amount of remuneration, etc. is shown with fractions of ¥1 thousand rounded off.

(3) Matters relating to Outside Officers

(i) Significant concurrent positions outside the Company (in the case holding positions as executive officers at other corporations) and relation between the Company and such other corporations

Director Mr. Takashi Matsuoka holds an additional post of senior managing director of KEIAISHA Co., Ltd. The Company purchases steel and other materials from KEIAISHA Co., Ltd.

(ii) Main activities during the current business year

Name	Attendance and Contributions
Director Kohshi Murakami	He attended 11 of the 12 meetings of the Board of Directors that were held during the current business year, and provided necessary counsel on a timely basis for deliberation of agenda items and other topics at such meetings.
Director Takashi Matsuoka	He attended all 12 meetings of the Board of Directors that were held during the current business year, and provided necessary counsel on a timely basis for deliberation of agenda items and other topics at such meetings.
Corporate Auditor Kazuaki Tanahashi	He attended all 12 meetings of the Board of Directors and all 12 meetings of the Board of Corporate Auditors that were held during the year under review, and provided necessary counsel on a timely basis for deliberation of agenda items and other topics at such meetings.
Corporate Auditor Isao Hiraide	He attended all 12 meetings of the Board of Directors and all 12 meetings of the Board of Corporate Auditors that were held during the current business year, and provided necessary counsel on a timely basis for deliberation of agenda items and other topics at such meetings.
Corporate Auditor Hirota Fujiwara	He attended all 12 meetings of the Board of Directors and all 12 meetings of the Board of Corporate Auditors that were held during the current business year, and provided necessary counsel on a timely basis for deliberation of agenda items and other topics at such meetings.

(iii) Overview of limited liability agreements

The Company and each of the Outside Officers have executed agreement to limit liabilities of damages of Paragraph 1, Article 423 of Companies Act pursuant to the provisions of Paragraph 1, Article 427 of Companies Act.

The amount subject to the limitation of liabilities of damages shall be the amount set forth by the laws.

(Translation)

4. Matters relating to Independent Auditors

(1) Name: KPMG AZSA LLC

Note: As of July 1, 2010, KPMG AZSA & Co. became KPMG AZSA LLC as a result of a change in its form of business registration.

(2) Amount of Remuneration, etc.

	Amount paid
Amount of remuneration, etc. of Independent Auditors for the current business year	¥90 million
Total amount of money and other property benefit to be paid from the Company and its subsidiaries to Independent Auditors	¥112 million

Note:

In the audit agreement by and between the Company and the Independent Auditors, the Company does not keep accounts by each category of the amount of audit fee, etc. for auditing services under the Companies Act and under the Financial Instruments and Exchange Law. As the amount of auditing services may be difficult to classify, the Company states the total amount thereof in the amount of remuneration, etc. of Independent Auditors for the current business year.

(3) Non-Auditing Services

The Company and its subsidiaries pay considerations to KPMG AZSA LLC for its IFRS (International Financial Reporting Standards) advisory services and inspection relevant to consolidated financial statements.

(4) Policy regarding Determination of Removal or Refusal of Reappointment of Independent Auditors

The Board of Directors will recommend the agenda for the proposed meeting regarding removal or refusal of reappointment of Independent Auditors with the consent or upon the request of the Board of Corporate Auditors if the Board of Directors believes that it is necessary due to causes including the Independent Auditors' difficulty in performing their duties.

If the Board of Corporate Auditors finds that the Independent Auditors fall under any of the events prescribed in each Item of Paragraph 1, Article 340 of the Companies Act, the Board of Corporate Auditors may remove the Independent Auditors under the consent of all Corporate Auditors. In this case, the Corporate Auditor appointed by the Board of Corporate Auditors will report its resolution relating to the removal of any Independent Auditor and its reasons to the first General Meeting of Shareholders after the removal thereof.

(5) Audit of Consolidated Subsidiaries

Some consolidated subsidiaries of the Company are subject to the audit of a certified public accountant or an auditing firm (including a person who has similar qualifications in foreign countries) other than the Company's Independent Auditor, and the material ones are NMB-Minebea Thai Ltd., NMB (USA) Inc., NMB Technologies Corporation, New Hampshire Ball Bearings, Inc., MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD., and MINEBEA (HONG KONG) LIMITED.

(Translation)

5. System to Ensure the Proper Business

Based on the Companies Act, the Company enacted its Basic Policy for the Formulation of an Internal Control System by a resolution of the Meeting of the Board of Directors in an effort to ensure the sound management of the Company. A summary of this resolution is provided below.

- (1) Structure to assure that Board Members', Executive Officers' and employees' execution of duties conform to laws and articles of incorporation**
 - (i) The Company has set up a management structure regarding compliance and established a Minebea Group Code of Conduct in order to have group company Directors, Executive Officers and Employees follow laws, articles of incorporation and corporate philosophy.
 - (ii) This Group Code of Conduct has set the specific standards that have to be observed for labor, safety and health, environment protection, and ethical management. In order to enforce this, the Compliance Committee was established to control the Group's compliance efforts in a cross-section manner, as well as educating officers and staff members.
 - (iii) The Minebea Group will have nothing to do with antisocial influences that threaten social order or safety. It will not acquiesce to unreasonable demands, and it will work uncompromisingly in cooperation with external authorized institutions such as police and lawyers.
 - (iv) The activities of the Compliance Committee will be reported regularly or accordingly to the Board of Directors.
 - (v) Outside directors in the Board of Directors will be appointed in order to have the check-and-balance system that assures the legality of the Board Members' execution of duties.

- (2) Storage and management of information related to execution of duties by Board Members and Executive Officers**
 - (i) The Board of Directors has established the Minebea Group Document Management Rules for maintaining documents (including electronic records) and other relevant materials.
 - (ii) If the documents should be kept for a certain period of time or at a certain location, the preservation period and location must follow these rules except in cases where there are specific provisions in any law. The documents are stored by a method as it can be viewed within 2 days, if there is an inspection request from a Board Member or Corporate Auditor.

- (3) Rules for Risk of Loss Management and other Structures**
 - (i) The Company established "Minebea Group Basic Regulations for Risk Management" that systematically sets up risk management. The Chief Officer of the risk management of Minebea Group shall be the Representative Director, President and Chief Executive Officer, and the Risk Management Committee is under his direct control.
 - (ii) Based on these Regulations, the individual risks will be monitored continuously by each responsive organization, and we also assume and classify specific risks in advance, and develop a quick, adequate communication and emergency structure in case of an emergency.
 - (iii) The Risk Management Committee will regularly review above structure, verify specific items and report the status of risk management including such verification results to the Board of Directors regularly, or whenever necessary.

- (4) Structure that assures the execution of duties by the Board Members and Executive Officers are efficiently done**
 - (i) The Company has a ten-member Director system to facilitate prompt and strategic decision making. At the same time, by introducing an Executive Officer system, we have delegated significant authority from the Board of Directors to Executive Officers, clearly divide the role of management / supervision functions from execution functions, and heighten the organization's agility.
 - (ii) While everyone at the Company shares the same vision in working toward a common goal, the leaders of each business headquarters, business unit and division decide on their own specific targets and how to achieve them. Their performance results are converted into verifiable data via an IT system and are regularly reviewed by the Board of Directors after being analyzed by each relevant business headquarters, business unit and division. Leveraging the inherent strength of this process, enables us to sweep away obstacles to efficiency, bring everyone closer to achieving their goals, and lay a solid foundation upon which we can build a more efficient organization.

(Translation)

(5) Structures to ensure that the Operations of the Company's and its Affiliated Companies are adequate

- (i) The Company's business headquarters, business units and divisions take all necessary steps to provide effective guidance on group company business operations.
- (ii) Our common commitment to legal and ethical standards is reflected in the Minebea Group Code of Conduct.
- (iii) In order to increase the effects of the internal control system audits for Group Companies currently done by the Corporate Auditors, we maintain a cooperative posture toward the Corporate Auditors.
- (iv) We set numerical goals for each group company, review them regularly, and provide relevant organizations with feedback after performing a thorough performance review.
- (v) The Internal Auditing Office regularly audits the Group Companies.

(6) Issues concerning when a Corporate Auditor requests for an employee to assist him/her

When such employee is required, he/she is properly set, and we assist the audit.

(7) Independence from the Board of Directors of the employee mentioned in the preceding paragraph (6) hereof

- (i) The audit support by such employee is done under the Corporate Auditor's directions and orders.
- (ii) The Board of Corporate Auditors' opinion is respected on the personnel changes and personnel evaluation regarding such employee.

(8) Structure of Board Members', Executive Officers' and employees' report to the Corporate Auditor, and other reporting structure to the Corporate Auditor

- (i) The Board Members report the following to the Board of Corporate Auditors
 - a. Matters discussed at the Senior Executive Officers Council.
 - b. Matters that might cause the Company a significant loss
 - c. Monthly business conditions that is important
 - d. Important matters regarding internal audit status and risk management
 - e. Significant violations of law or articles of incorporation
 - f. Status of calls to the compliance hotline and its contents
 - g. Other important matters related to compliance
 - h. Matters related to request for approval decided by Board Members or Executive Officers
 - i. Agreements executed by Board Members or Executive Officers
 - j. Matters related to litigations
- (ii) Executive Officers directly report b. through e. in the previous paragraph (i) hereof to the Board of Corporate Auditors. Also, if the employee discovers a significant fact related to b. and e. in the previous paragraph (i) hereof, he/she may directly report it to the Board of Corporate Auditors.

(9) Other matters in order to ensure the efficiency of the Corporate Auditors audit

- (i) The Corporate Auditor has an opportunity to interview Board Members, Executive Officers and important employees, as well as hold informal meetings regularly with Representative Director, President and Chief Executive Officer and the Independent Auditor respectively.
- (ii) The Internal Auditing Office carries out the internal audit items requested by the Corporate Auditors based on discussions with the Corporate Auditors and reports those results to the Corporate Auditors.

Based on the policies above, the Company is promoting in unison the establishment of the internal control system.

(Translation)

6. Basic Policy relating to Control of the Company

(1) Contents of Basic Policy

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who fully understand the details of the Company's financial and business affairs and the source of the Group's corporate value and who will make it possible to continually and persistently ensure and enhance the Group's corporate value and, in turn, the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. Also, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the Group and, in turn, the common interests of its shareholders.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders including without limitation, those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition or for the target company's board of directors to make an alternative proposal and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

In order for the Group to ensure and enhance the corporate value and, in turn, the common interests of its shareholders, it is necessary for the Group to efficiently and continuously develop new products, cultivate new markets and revolutionize production technology in the mid- to long-term based on the Group's original vertically integrated manufacturing system, drive to be a company that leads the competition through manufacturing and technological excellence based on advanced ultra-precision machining technology and mass production techniques for mechatronic products that are the source of the Group's corporate value.

Unless the acquirer in a proposed large-scale acquisition of the shares in the Company understands the source of the corporate value and the characteristics that are indispensable to enhance the corporate value of the Group, as well as the details of the financial and business affairs of the Company, and will ensure and realize these elements over the medium-to-long-term, the corporate value of the Group and the common interests of its shareholders would be harmed.

Therefore, the Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Group or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The Company believes that it is necessary to ensure the corporate value of the Group and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures for the purpose of deterring acquisitions that are detrimental to the corporate value of the Group and, in turn, the common interests of its shareholders.

(2) Special measures for Realization of Basic Policy

The Group's business objective is to fulfill its social responsibilities to the various stakeholders, such as shareholders, business partners, local communities, the international society and employees, and maximize its corporate value.

While the Group fully endeavors to realize its direction and vision set forth in the middle-term business plan ending in the 2013 March Term as well as to achieve the target for the plan of the current fiscal year, it will improve and enhance decision making and execution bodies relevant to corporate management to promote the establishment, maintenance and development of its internal control system in order to strengthen the corporate governance.

(3) Measures to prevent control over decisions on the Company's financial and business policies by persons deemed as inappropriate under the Basic Policy

The Company established at its board of directors meeting held on May 8, 2008 a basic policy regarding persons who control decisions on the Company's financial and business policies and introduced a plan of countermeasures against large-scale acquisitions of the shares in the Company (takeover defense measures) (hereinafter referred to as the "Plan") as a measure to prevent decisions on the Company's financial and business policies from being controlled by persons deemed as inappropriate under the Basic Policy, and the Plan was proposed, resolved and approved at the 62nd Ordinary General Meeting of Shareholders that was held on June 27, 2008. The specific measures to prevent control over decisions on the Company's financial and

(Translation)

business policies by persons deemed as inappropriate under the Basic Policy are as stated below. Please refer to our web site.

(i) Purpose of Plan

The purpose of the Plan is to ensure and enhance the corporate value of the Group and, in return, the common interests of its shareholders by deterring acquisitions that are detrimental to the corporate value of the Group and the common interests of its shareholders by ensuring that all shareholders have the necessary and adequate information and time to make appropriate decisions in the case of large-scale acquisitions of the shares in the Company, and by securing the opportunity to negotiate with the acquirer or through similar actions.

(ii) Targeted Acquisitions

The Plan will be applied in cases where (1) a purchase or other acquisition that would result in the holding ratio of share certificates of a holder amounting to 20% or more of the share certificates issued by the Company, (2) a tender offer that would result in the ownership ratio of share certificates of share certificates of the party conducting the tender offer and the ownership ratio of share certificates of a person having a special relationship after the tender offer totaling at least 20% of the share certificates issued by the Company, or any similar action, or a proposal for such action (except for those separately approved by the Company's board of directors; the "Acquisition") takes place. The party effecting the Acquisition (the "Acquirer") shall follow the procedures set out beforehand in the Plan.

(iii) Request to the Acquirer for the Provision of Information, Consideration and Recommendation by the Independent Committee, Resolutions of the Board of Directors, etc.

The Company will require any Acquirer conducting an Acquisition to submit to the Company before effecting the Acquisition, necessary information for examination of the Company and an undertaking that the Acquirer will comply with the procedures established under the Plan. The Plan is monitored by an independent committee (currently a three-member committee composed of an outside director, an outside corporate auditor and an outside expert, who are highly independent from the management of the Company) which will be provided with information from the Acquirer, opinion and materials supporting such opinions and an alternative proposal (if any) from the Company's board of directors. The Independent Committee may at the cost of the Company obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, consultants or any other experts). The Independent Committee should conduct its consideration of the Acquisition terms, collection of information on the materials such as the business plans of the Acquirer and the Company's board of directors and comparison thereof, and consideration of any alternative plan presented by the Company's board of directors, discussion and negotiation with the Acquirer, disclosure of information, etc.

If after the consideration, discussion and negotiation with the Acquirer, etc., the Independent Committee determines that the Acquisition by the Acquirer falls under any of the conditions established for the implementation of the gratis allotment of Stock Acquisition Rights, such as it does not comply with the procedures set forth in the Plan, or will cause apparent infringement on the Minebea Group's corporate value and interest of Minebea and its shareholders, and that the implementation of the gratis allotment of Stock Acquisition Rights is reasonable, the Independent Committee will recommend the implementation of the gratis allotment of Stock Acquisition Rights to Minebea's Board of Directors according to the Rules of the Independent Committee. The Minebea Board of Directors will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights respecting to the maximum extent any recommendation from the Independent Committee. Once the Minebea Board of Directors passes the resolution, it will promptly disclose an outline of the resolution, and any other matter that it deems appropriate for disclosure.

(iv) Outline of the Gratis Allotment of Stock Acquisition Rights

The Company will allot Stock Acquisition Rights to those shareholders who are listed on its final register of shareholders on the Allotment Date, at a ratio of one Stock Acquisition Right for every one share in the Company held. The number of shares in the Company to be acquired upon exercise of each Stock Acquisition Right shall, in principle, be one share. The amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company during a period from one month to three months long as separately determined in the Gratis Allotment Resolution.

As a general rule, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (1) through (6) below shall collectively be referred to as "Non-Qualified Parties"): (1) Specified Large Holders; a party who is a holder of share certificates issued by the Company and whose holding ratio

(Translation)

of share certificates is at least 20% (including any party who is deemed to fall under the above by the Company's board of directors) (2) Joint Holders of Specified Large Holders; (3) Specified Large Purchasers; a person who makes a public announcement of purchase of share certificates issued by the Company through a tender offer and whose ratio of ownership of share certificates is at least 20% when combined with the ratio of ownership of share certificates of a person having a special relationship (including any party who is deemed to fall under the above by the Company's board of directors) (4) Persons having a Special Relationship with Specified Large Purchasers; (5) Any transferee of, or successor to, the Stock Acquisition Rights of any party falling under (1) through (4) without the approval of the Company's board of directors; or (6) Any Affiliated Party of any party falling under (1) through (5). Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Company's board of directors. At any time on or before the date immediately prior to the Exercise Period Commencement Date, the Company may acquire all of the Stock Acquisition Rights without consideration. The Company may also acquire all of the Stock Acquisition Rights that have not been exercised before or on the day immediately prior to date determined by the Company's board of directors, that are held by parties other than Non-Qualified Parties and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for every one Stock Acquisition Right.

(v) Effective Period of the Plan

The effective period of the Plan shall be the period until the conclusion of the ordinary general meeting of shareholders relating to the final fiscal year ending within three years after the conclusion of the 62nd Shareholders Meeting held on June 27, 2008. However, if, before the expiration of the effective period, the Company's shareholders meeting or board of directors passes a resolution to abolish the Plan, the Plan will be abolished at that time.

(vi) Impact on Shareholders and Investors Upon Introduction of the Plan

Even after introduction, if no actual gratis allotment of Stock Acquisition Rights is implemented, the Plan will have no direct or material impact on shareholders and investors. When the Company's board of directors passes a resolution for a gratis allotment of Stock Acquisition Rights, there may be a case that the shares the Company's shareholders hold in the Company may be diluted if they do not properly follow the procedures for Exercising Stock Acquisition Rights. However, if the Company acquires the Stock Acquisition Rights of shareholders and, in exchange, deliver shares in the Company, in principle, there will be no subsequent dilution of the shares in the Company they hold.

(4) Decisions and Reasoning of the Company's Board of Directors regarding Above Measures

The Company has implemented such measures as establishing the mid-term business plan, strengthening its corporate governance practices and maintaining stable shareholder return policy to continually and persistently enhance the Group's corporate value and the common interests of the Company's shareholders. These measures will indisputably contribute to the realization of the Basic Policy.

The Plan is a mechanism to maintain the corporate value of the Group and the common interests of its shareholders when the Acquisition is to be effected. Therefore, the Plan is in compliance with the Basic Policy.

The Company believes that the Plan would not be detrimental to the common interests of the Company's shareholders, and that it has not been implemented for the purpose of maintaining the positions of the directors and the statutory auditors of the Company due to the reasons that the Plan fully satisfies the three principles set out in "the Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests", that it was resolved by the Company's 62nd ordinary general shareholders meeting, put in effect for the following three years and may be abolished at any time when the Company's shareholders meeting or board of directors passes a resolution to abolish it so that it places high value on the intent of shareholders, that the Independent Committee composed of an outside director and others was set up and it would make substantive determinations as to whether or not to trigger the Plan, that the Independent Committee may obtain the advice of independent third parties at the cost of the Company, etc.

(Translation)

Consolidated Balance Sheet

(As of March 31, 2011)

(Unit: millions of yen)

Assets	
Item	Amount
Current assets	144,177
Cash and cash equivalents	29,590
Notes and accounts receivable	56,020
Marketable securities	828
Finished goods	16,433
Work in process	11,985
Raw materials	7,548
Supplies	3,581
Goods in transit	4,448
Deferred tax assets	3,779
Others	10,108
Allowance for doubtful receivables	(147)
Fixed assets	146,914
Tangible fixed assets	124,096
Buildings and structures	93,766
Machinery and transportation equipment	230,985
Tools, furniture and fixtures	43,025
Land	13,139
Leased assets	1,694
Construction in progress	4,853
Accumulated depreciation	(263,369)
Intangible fixed assets	7,430
Goodwill	5,555
Others	1,875
Investments and other assets	15,387
Investments in securities	8,003
Long-term loans receivable	19
Deferred tax assets	5,279
Others	2,100
Allowance for doubtful receivables	(14)
Total assets	291,092

Note: Amounts less than ¥1 million are omitted.

(Translation)

(Unit: millions of yen)

Liabilities	
Item	Amount
Current liabilities	116,862
Notes and accounts payable	18,630
Short-term loans payable	52,237
Current portion of long-term loans payable	12,632
Current portion of bonds	11,500
Lease obligations	364
Accrued income taxes	2,115
Accrued bonuses	3,976
Allowance for bonuses to directors	71
Allowance for loss on after-care of products	37
Allowance for environmental remediation expenses	108
Allowance for business restructuring loss	112
Others	15,076
Long-term liabilities	64,262
Long-term loans payable	56,843
Lease obligations	403
Allowance for retirement benefits	4,280
Allowance for retirement benefits to executive officers	166
Allowance for environmental remediation expenses	1,005
Others	1,563
Total liabilities	181,125
Net assets	
Shareholders' equity	195,337
Common stock	68,258
Capital surplus	94,823
Retained earnings	38,535
Treasury stock	(6,280)
Total accumulated other comprehensive income	(87,418)
Difference on revaluation of available-for-sale securities	(497)
Deferred gains or losses on hedges	0
Foreign currency translation adjustments	(84,638)
Unfunded retirement benefit obligation of foreign subsidiaries	(2,283)
Minority interests in consolidated subsidiaries	2,049
Total net assets	109,967
Total liabilities and net assets	291,092

Note: Amounts less than ¥1 million are omitted.

(Translation)

Consolidated Statement of Income
(From April 1, 2010 to March 31, 2011)

(Unit: millions of yen)

Item	Amount	
Net sales		269,139
Cost of sales		202,145
Gross profit		66,994
Selling, general and administrative expenses		44,830
Operating income		22,163
Other income		
Interest income	230	
Dividends income	158	
Equity in net income of affiliate	4	
Others	348	740
Other expenses		
Interest expenses	1,832	
Foreign currency exchange loss	286	
Others	420	2,539
Ordinary income		20,364
Extraordinary income		
Gain on sales of fixed assets	46	
Reversal of allowance for loss on after-care of products	47	
Reversal of allowance for business restructuring loss	20	114
Extraordinary loss		
Loss on sales of fixed assets	82	
Loss on disposal of fixed assets	301	
Impairment loss	553	
Loss on sales of stocks of subsidiaries and affiliates	38	
Loss on after-care of products	245	
Allowance for environmental remediation expenses	203	
Business restructuring loss	105	
Spoilage expenses	291	1,822
Income before income taxes and minority interests		18,656
Income taxes (including enterprise tax)	4,580	
Adjustment of income taxes	964	5,544
Income before minority interests		13,112
Minority interests in earnings of consolidated subsidiaries		646
Net income		12,465

Note: Amounts less than ¥1 million are omitted.

(Translation)

Consolidated Statement of Changes in Net Assets
(From April 1, 2010 to March 31, 2011)

(Unit: millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2010	68,258	94,767	26,149	(6,571)	182,604
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries			2,689		2,689
Changes					
Cash dividend from surplus			(2,674)		(2,674)
Change of scope of equity method			(94)	3	(90)
Net income			12,465		12,465
Purchase of own shares				(23)	(23)
Sales of own shares		55		310	365
Changes (net) in non-shareholders' equity items					
Total changes	–	55	9,696	290	10,043
Balance at March 31, 2011	68,258	94,823	38,535	(6,280)	195,337

	Accumulated other comprehensive income					Minority interests in consolidated subsidiaries	Total net assets
	Difference on revaluation of available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Unfunded retirement benefit obligation of foreign subsidiaries	Total accumulated other comprehensive income		
Balance at March 31, 2010	91	7	(75,808)	–	(75,708)	1,485	108,381
Rearrangement of unfunded retirement benefit obligation of foreign subsidiaries				(2,689)	(2,689)		–
Changes							
Cash dividend from surplus							(2,674)
Change of scope of equity method							(90)
Net income							12,465
Purchase of own shares							(23)
Sales of own shares							365
Changes (net) in non-shareholders' equity items	(589)	(7)	(8,830)	406	(9,020)	564	(8,456)
Total changes	(589)	(7)	(8,830)	406	(9,020)	564	1,586
Balance at March 31, 2011	(497)	0	(84,638)	(2,283)	(87,418)	2,049	109,967

Note: Amounts less than ¥1 million are omitted.

(Translation)

Notes to Consolidated Financial Statements

Basis of Presenting Consolidated Financial Statements

1. Scope of consolidation

(1) Consolidated subsidiaries

Number of consolidated companies: 40 companies

The names of principal consolidated subsidiaries:

NMB SINGAPORE LIMITED, NMB (USA) Inc., NMB-Minebea Thai Ltd., MINEBEA ELECTRONICS & HI-TECH COMPONENTS (SHANGHAI) LTD., and MINEBEA (HONG KONG) LIMITED.

(2) Non-consolidated subsidiaries

The names of non-consolidated subsidiaries:

DAIICHI SEIMITSU SANGYO CO., LTD., DAIICHI PRECISION MOLD (HK) LIMITED, and DONGGUAN CHENGQU DAIICHI PRECISION MOLD CO. LTD

Reason for exclusion from the scope of consolidation:

The reason is that non-consolidated subsidiaries are all small operations, and each of their total assets, sales, net income (amount equivalent to equity), retained earnings (amount equivalent to equity), etc. has no significant impact on our consolidated financial statements.

2. Application of the equity method

(1) Affiliates under equity method

Number of affiliated companies: 0 companies

(2) Non-consolidated subsidiaries not accounted for by the equity method

DAIICHI SEIMITSU SANGYO CO., LTD., DAIICHI PRECISION MOLD (HK) LIMITED and DONGGUAN CHENGQU DAIICHI PRECISION MOLD CO. LTD are excluded from the scope of application by the equity method, because their net income (amount equivalent to equity), retained earnings (amount equivalent to equity), etc. are not important for our consolidated financial statements.

3. Changes in the scope of consolidation and application of equity method

(1) Changes in scope of consolidation

(i) Anew: Establishment (2 companies)

MINEBEA ELECTRONIC DEVICES (SUZHOU) LTD.

MINEBEA (CAMBODIA) Co., Ltd.

(ii) Anew: Acquisition of stock (3 companies)

DAIICHI SEIMITSU SANGYO CO., LTD.

DAIICHI PRECISION MOLD (HK) LIMITED

DONGGUAN CHENGQU DAIICHI PRECISION MOLD CO. LTD

(2) Change in scope of application of the equity method

Exclusion: Stock sale (1 company)

Shonan Seiki Co., Ltd.

4. Fiscal years, etc. of consolidated subsidiaries

Of the consolidated subsidiaries, regarding those whose balance sheet dates differ from the consolidated balance sheet date, the Company uses their financial statements based on the provisional settlements of accounts implemented as of the consolidated balance sheet date, in order to prepare the consolidated financial statements for the current fiscal year.

5. Accounting policies

(1) Valuation basis and method of significant assets

(i) Securities

Other marketable securities:

·Securities with market value

The Company adopted the market value method based on market prices and other conditions at the end of the term. Also, the Company accounted for all valuation differences based on the direct net asset method and the sales costs are calculated by the moving average method.

·Securities without market value

Non listed securities are stated at cost determined by the moving average method.

(ii) Derivatives

Market value method

(iii) Inventories

The Company and consolidated domestic subsidiaries state primarily at the moving average cost. (The balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).

Consolidated overseas subsidiaries state at the lower of average cost or market.

(Translation)

(2) Method of significant depreciation

(i) Tangible fixed assets (excluding leased assets)

The Company and consolidated domestic subsidiaries adopt the declining balance method.

Their major useful lives are as follows:

Buildings and structures	2 to 50 years
Machinery and transportation equipment	2 to 15 years
Tools, furniture and fixtures	2 to 20 years

They also collectively show equal charges for small depreciable assets (whose acquisition values are not less than ¥100,000 and less than ¥200,000) over the 3 years each consolidated fiscal year.

Consolidated overseas subsidiaries mainly adopt the straight-line method.

(ii) Intangible fixed assets (excluding leased assets)

The Company and consolidated domestic subsidiaries mainly adopt the straight-line method. However, depreciation of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).

Consolidated overseas subsidiaries mainly adopt the straight-line method.

(iii) Leased assets

Lease assets related to finance lease transactions that do not involve transfer of ownership

The Company and consolidated subsidiaries adopt the straight-line method of making lease periods depreciable lives and salvage values zero.

(3) Valuation basis of significant allowances

(i) Allowance for doubtful receivables

The Company and consolidated domestic subsidiaries make the record in the amount required for the estimated uncollectible receivables based on actual losses of trade receivables and on collectability of specific receivables with loss possibilities.

Consolidated overseas subsidiaries make the record in the amount required for the estimated uncollectible receivables based on the collectability of each receivable for possible losses on the receivables.

(ii) Accrued bonuses

The Company and consolidated domestic subsidiaries make preparations for the payment of bonuses to employees, accrued bonuses are shown based on the anticipated amounts of payment in the current term. Consolidated overseas subsidiaries make the record on accrual basis.

(iii) Allowance for bonuses to directors

To provide for payment of bonuses to directors, the Company records an amount, based upon the estimated amount of payment for the current consolidated fiscal year.

(iv) Allowance for retirement benefits

Regarding the Company and its consolidated domestic subsidiaries, to provide for payment of employee retirement benefits, the Company reported allowance for retirement benefits or prepaid pension costs, based on estimated retirement benefit debts and pension assets at the end of the current consolidated fiscal year.

At the end of the current consolidated fiscal year, prepaid pension costs is included in others of investments and other assets.

Unrecognized prior service cost is amortized using the straight-line method over a period of 10 years as cost. Over the 5 to 10 years within the average remaining length of employees' service, the Company will charge differences in mathematical calculation to expenses from the next term, in accordance with the straight-line method.

Regarding the Company's consolidated overseas subsidiaries, each subsidiary stated retirement benefits or prepaid pension costs estimated to accrue at the end of the current consolidated fiscal year to provide for employee retirement benefits.

At the end of the current consolidated fiscal year, prepaid pension costs is included in others of investments and other assets.

Unrecognized prior service cost is amortized using the straight-line method over a period of 10 years as cost. Over the 5 to 10 years within the average remaining length of employees' service, the Company will charge differences in mathematical calculation to expenses from the next term, in accordance with the straight-line method.

(v) Allowance for retirement benefits to executive officers

With respect to the Company and some consolidated domestic subsidiaries, we posted retirement allowances to be required for payment at the end of the current consolidated fiscal year in accordance with regulations.

(vi) Allowance for loss on after-care of products

Our consolidated overseas subsidiaries post reasonably projected amounts to be incurred in the future as expenses for after-care of products.

(vii) Allowance for environmental remediation expenses

Our consolidated overseas subsidiaries post reasonably projected amounts to be incurred in the future as environment-related expenses in the U.S.

(viii) Allowance for business restructuring loss

Our consolidated overseas subsidiaries post reasonably projected amounts to be incurred in the future, based on the decision of restructuring plans, such as the closures.

(Translation)

(4) Translation of foreign currency assets and liabilities in financial statements of the Company and consolidated subsidiaries

The Company and consolidated domestic subsidiaries translate monetary receivables and payables in foreign currency into yen at the spot exchange rates on the balance sheets date. The resulting exchange differences are accounted for as an exchange gain or loss.

Our consolidated overseas subsidiaries, assets and liabilities are translated into yen at the spot exchange rates at the consolidation date, while revenues and expenses are translated into yen at the average rates for the year. Exchange differences are included in foreign currency translation adjustments and minority interests in net assets.

(5) Accounting method of significant hedge transactions

(i) Method of hedge accounting

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

(ii) Hedging vehicles and hedged items

(Hedging vehicles)

Forward exchange contracts

Interest rate swaps

(Hedged items)

Monetary receivables and payables in foreign currency

Anticipated transactions in foreign currencies

Interest rates on borrowings

(iii) Hedge policy

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

(iv) Method of assessing hedge effectiveness

Regarding forward exchange contracts, in principle, the Company allocates them to monetary receivable and payable with 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 accounting requirements for special treatment.

(6) Amortization of goodwill and negative goodwill

The goodwill is equally amortized for from 5 to 10 years.

(7) Accounting method of consumption tax and other

Consumption tax and other related taxes are excluded from revenue and purchases of the Company.

6. Changes in accounting policies

(Application of Accounting Standard for Asset Retirement Obligations)

Since this fiscal year, the Company has applied the Accounting Standard for Asset Retirement Obligations (Business Accounting Standards No. 18; March 31, 2008) and the Application Guideline for the Accounting Standard for Asset Retirement Obligations (Application Guidelines for Business Accounting Standards No. 21; March 31, 2008).

This application of the amendment has had no impact on the Company's financial results.

(Application of Accounting Standard for Business Combinations)

Since this fiscal year, the Company has applied the Accounting Standard for Business Combinations (Business Accounting Standards No. 21; December 26, 2008), the Accounting Standard for Consolidated Financial Statements (Business Accounting Standards No. 22; December 26, 2008) and the Application Guideline for the Accounting Standard for Business Combinations and the Accounting Standard for Business Separations, Etc. (Application Guidelines for Business Accounting Standards No. 10; December 26, 2008). Although we were valuing consolidated subsidiaries' assets and liabilities partially at market prices, we have applied these Standards in this fiscal year to fully mark them to market.

This application of the amendment has had no impact on the Consolidated Financial Statements.

(Translation)

7. Change of presentation

(Consolidated Statement of Income)

From this fiscal year, pursuant to the Accounting Standard for Consolidated Financial Statements (Business Accounting Standards No. 22; December 26, 2008), the Company applies the Cabinet Office Ordinance to Amend Part of the Regulations, Etc. for Terms, Forms and Preparation Methods of Financial Statements, Etc. (Cabinet Office Ordinance No. 5; March 24, 2009) to show figures under "Income before income taxes and minority interests."

8. Additional information

(Accounting Standard for Comprehensive Income Translation)

The Company applies the Accounting Standard for Comprehensive Income Translation (Business Accounting Standards No. 25; June 30, 2010) from this fiscal year. But the amounts of "Accumulated comprehensive income" and "Total accumulated comprehensive income" in the previous fiscal year are the respective amounts of "Revaluation/translation differences" and "Total revaluation/translation differences."

Under this accounting standard, unfunded retirement benefit obligation of foreign subsidiaries, which last year was included in the -¥2,689 million posted as "Retained earnings", are recognized this fiscal year as "Unfunded retirement benefit obligation of foreign subsidiaries."

Notes to Consolidated Balance Sheet

(1) Contingent liabilities

Guarantees on liabilities

The Company has provided the following non-consolidated subsidiary with guarantees for its bank borrowings.

DAIICHI SEIMITSU SANGYO CO., LTD.: ¥30 million

(2) Marketable securities and Investment in securities

The balance of money in trust is ¥2,421 million. This is the balance of U.S. Treasury security purchased for financial investment by captive insurance subsidiary MHC INSURANCE COMPANY, LTD. established on October 4, 2006. The application of this trust fund is limited to payment of compensation resulting from recall insurance accidents related to the Minebea Group.

(3) Lawsuit

NMB-Minebea Thai Ltd., our consolidated subsidiary company located 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 regarding item (1), the Company petitioned the Revenue Department for redress on August 25, 2009, and regarding item (2), has petitioned the Revenue Department for redress.

Regarding item (1), the Company has won the case as a result of the decision at the Tax Court of the Kingdom of Thailand on October 13, 2010, but the Revenue Department disagreed with this decision and appealed the case to the Supreme Court on December 9, 2010.

On September 22, 2008 and September 23, 2010, payment of these amounts was made in subrogation, respectively, using a surety bond from a bank with which the Company does business.

Notes to Consolidated Statement of Changes in Net Assets

(1) Matters relating to class and total number of issued shares and class and total number of treasury stock

Class of Shares	Shares at previous FY (shares)	Increased shares in current FY (shares)	Decreased shares in current FY (shares)	Shares at end of current FY (shares)
Shares issued				
Common Stock	399,167,695	–	–	399,167,695
Total	399,167,695	–	–	399,167,695
Treasury Stock				
Common Stock ^(Notes)	17,224,534	46,962	748,293	16,523,203
Total	17,224,534	46,962	748,293	16,523,203

Notes:

1. The increase of 46,962 shares in the number of own shares of common stock reflects the increase of shares from the purchase of fractional shares, etc.

2. The 748,293 shares decrease in the number of own shares of common stock reflects the decrease of 742,000 shares from the disposal of treasury stock by the Employee Stock Holding Exclusive Trust Account; that of 1,134 shares from requests for further buying of our fractional shares; that of 5,159 shares from a decrease in shares held by an affiliate accounted for by the equity method due to its exclusion from the scope of application of the equity method.

3. The number of own shares of common stock includes our shares owned by the Employee Stock Holding Exclusive Trust Account (2,025,000 shares for previous FY and 1,283,000 shares for current FY).

(Translation)

(2) Matters relating to dividends from retained earnings

(i) Matters on dividends by the resolution of the 64th Ordinary General Meeting of Shareholders held on June 29, 2010

Total amount of dividends:	¥1,527 million
Dividend per share:	¥4.00
Record date:	March 31, 2010
Effective date:	June 30, 2010

(Note) Total dividend does not include ¥8 million of dividends to the Employee Stock Holding Partnership Exclusive Trust Account. This represents that the Company recognizes the shares of consolidated companies owned by the Trust Account as treasury stock.

Matters on dividends by the resolution of the Meeting of the Board of Directors held on November 2, 2010

Total amount of dividends:	¥1,146 million
Dividend per share:	¥3.00
Record date:	September 30, 2010
Effective date:	December 6, 2010

(Note) Total dividend does not include ¥5 million of dividends to the Employee Stock Holding Partnership Exclusive Trust Account. This represents that the Company recognizes the shares of consolidated companies owned by the Trust Account as treasury stock.

(ii) Dividends with a record date that falls within the current consolidated fiscal period but an effective date in the following period

The following proposal will be submitted to the 65th Ordinary General Meeting of Shareholders to be held on June 29, 2011.

Total amount of dividends:	¥1,530 million
Dividend per share:	¥4.00
Record date:	March 31, 2011
Effective date:	June 30, 2011

(Note) Total dividend does not include ¥5 million of dividends to the Employee Stock Holding Partnership Exclusive Trust Account. This represents that the Company recognizes the shares of consolidated companies owned by the Trust Account as treasury stock.

Notes relating to Financial Instruments

(1) Matters relating to Financial Instruments

(i) Policy on handling of financial instruments

The Minebea Group procures necessary funds (primarily through bank loans and issuance of corporate bonds) in light of its capital investment plan. Temporary surplus funds are invested mainly in highly liquid financial assets while short-term operating funds are procured through bank loans. The Company, by policy, utilizes derivatives to evade risks described hereafter and not for the purpose of speculative transactions.

(ii) Contents of financial instruments and associated risks

Notes and accounts receivable, which are operating receivables, are exposed to the credit risk of customers. Although foreign currency-based receivables that arise in conducting business in overseas are exposed to FX rate fluctuation risk, the Company, as a general rule, hedges the risk with the use of exchange forward contracts with the exception of any receivable item within the outstanding balance of accounts payable in the same foreign currency.

Marketable and investment securities are bonds categorized under other securities and stocks of companies with which the Company holds business relationships, and are exposed to market price fluctuation risk. The Company also provides long-term loans for employees.

As for notes and accounts payable, which are operating payables, most of the items are due for payment within 6 months. Though some of them are foreign currency-based and are exposed to FX rate fluctuation risk, the Company hedges the risk with the use of exchange forward contracts with the exception of any payable item within the outstanding balance of accounts receivable in the same foreign currency.

Bank loans, corporate bonds and lease obligations relating to finance lease transactions are executed for the purpose of procuring funds primarily for capital investments, and the redemption dates arrive, at the longest, in 7 years after the account closing date. While these obligations, in part, are exposed to interest rate fluctuation risk, the Company hedges the risk with the use of derivative transactions (interest rate swaps).

Derivative transactions are exchange forward contracts executed for the purpose of hedging FX rate fluctuation risk associated with foreign currency-based operating receivables and payables, and interest rate swaps executed for the purpose of hedging interest rate fluctuation risk associated with bank loans. With respect to hedging vehicles and hedged items, hedge policy and method of assessing hedge effectiveness; please refer to "5. Accounting policies (5) Accounting method of significant hedge transactions" under Basis of Presenting Consolidated Financial Statements previously described.

(Translation)

(iii) Risk management system relating to financial instruments

(a) Management of credit risk (risk associated with breach of contract, etc. by customer)

The Company, in accordance with its credit management regulations, manages operating receivables by means of a periodical monitoring of major customers conducted by the Administration Department of Sales Division. The Company also controls due dates of payment and outstanding balances by customer on a monthly basis as well as reviews credit rate rankings and credit limits once a year in order to promote prompt detection and mitigation of any doubtful collectibles due to deterioration of financial conditions and other factors. The consolidated subsidiaries exercise similar management based on the credit management regulations of the Company.

Bonds under other securities are limited to U.S. Treasury Securities, in accordance with the fund management policy, and hence there is minimal credit risk.

As derivative transactions are executed only with financial institutions with high ratings, the Company recognizes there is hardly any credit risk.

(b) Management of market risk (FX and interest rate fluctuation risks)

The Minebea Group, with respect to foreign currency-based operating receivables and payables, hedges FX fluctuation risk identified by currency by month with the use, as a general rule, of exchange forward contracts. The Company executes exchange forward contracts against foreign currency-based accounts receivables expected to surely arise under planned transactions associated with exports. The Company also utilizes interest rate swaps to mitigate interest rate fluctuation risk associated with loans payable and bonds payable.

For marketable and investment securities, the Company periodically monitors the market values and financial conditions of the issuing entities (corporate customers).

The execution and management of derivative transactions are performed by the responsible department in accordance with the market risk management regulations that define transaction authority and limits and etc. and with approval from the authorized persons. Monthly transaction records are reported to the executive officer in charge of Finance and Administration Division.

Risk management is performed in consolidated subsidiaries also in accordance with the market risk management regulations of the Company.

(c) Liquidity risk associated with funds procurement (risk of failure to pay on due date)

The Company manages liquidity risk by having the responsible department timely develop and update the funding plan based on reports from each of the departments and by maintaining short-term liquidity. Subsidiaries also exercise similar management.

(iv) Supplementary explanation on matters relating to the market value of financial instruments, etc.

The market value of financial instruments include, in addition to the value based on market value, a value rationally computed in the absence of market value. The computation of such a value incorporates fluctuation factors, and as different preconditions, etc. are adopted, the value may be subject to fluctuation.

(Translation)

(2) Matters relating to the Market Value of Financial Instruments, etc.

Amount on the consolidated balance sheet as of March 31, 2011, market value and the variance are as follows. Market value is omitted in case it is extremely difficult to obtain the value. (Please refer to item 2. of Notes.)

	Amount on consolidated balance sheet (millions of yen)	Market value (millions of yen)	Variance (millions of yen)
(i) Cash and cash equivalents	29,590	29,590	–
(ii) Notes and accounts receivable	56,020	56,020	–
(iii) Marketable and investment securities	4,969	4,969	–
(iv) Long-term loans receivable	19	19	–
Total assets	90,600	90,600	–
(v) Notes and accounts payable	18,630	18,630	–
(vi) Short-term loans payable	52,237	52,237	–
(vii) Current portion of long-term loans payable	12,632	12,738	106
(viii) Current portion of bonds	11,500	11,609	109
(ix) Bonds	–	–	–
(x) Long-term loans payable	56,843	57,477	634
Total liabilities	151,843	152,694	850
Derivative transactions (*1)	(2)	(2)	–

(*1) Receivable and payable arising from derivative transactions are presented in net value.

Notes:

1. Matters relating to computation method for market value of financial instruments and to securities and derivative transactions

Assets

(i) Cash and cash equivalents, (ii) Notes and accounts receivable

As these items are settled in a short term and the market value is close to book value, they are presented in book value.

(iii) Marketable and investment securities

Market value of stocks, etc. are based on prices on stock exchanges while the market value of bonds are either prices on stock exchanges or those quoted by counterpart financial institutions, etc.

(iv) Long-term loans receivable

The Company's long-term loans receivable is limited to housing loan for employees, and as there is no significance in value, the market value represents the book value.

Liabilities

(v) Notes and accounts payable, (vi) Short-term loans payable

As these items are settled in a short term and the market value is close to book value, they are presented in book value.

(vii) Current portion of long-term loans payable, (x) Long-term loans payable

Loans with variable interest, as interest is settled on a short term and the market value is close to book value, are presented in book value. For loans with fixed interest, the total amount of principal and interest is discounted by the expected interest rate assumed for a similar new loan to derive the present value.

(viii) Current portion of bonds, (ix) Bonds

Items with market value are presented based on market value. For items without market value, the total amount of principal and interest is discounted by the expected interest rate assumed for a similar issuance to derive the present value.

(Translation)

2. Financial instruments for which identification of market value is extremely difficult

Item	Amount on consolidated balance sheet (millions of yen)
Unlisted stock	2,534
Investments in subsidiaries	1,328

As these items do not have market value and the identification of market value is considered to be extremely difficult, they are not included in “(iii) Marketable and investment securities”.

3. Expected redemption amount of monetary receivables and securities with maturity arriving after the consolidated account closing date

	Within 1 year (millions of yen)	Over 1 year to 5 years (millions of yen)	Over 5 years to 10 years (millions of yen)	Over 10 years (millions of yen)
Cash and cash equivalents	29,590	–	–	–
Notes and accounts receivable	56,020	–	–	–
Marketable and investment securities of which securities with maturity (U.S. Treasury Security)	828	1,592	–	–
Long-term loans receivable	–	13	5	–
Total	86,440	1,606	5	–

4. Expected amount of redemption and repayment of monetary payables due after the consolidated account closing date

	Within 1 year (millions of yen)	Over 1 year to 5 years (millions of yen)	Over 5 years to 10 years (millions of yen)	Over 10 years (millions of yen)
Notes and accounts payable	18,630	–	–	–
Short-term loans payable	52,237	–	–	–
Bonds	11,500	–	–	–
Long-term loans payable	12,632	56,843	–	–
Total	95,000	56,843	–	–

Notes to Per Share Information

(1) Net assets per share	¥282.03
(2) Net income per share	¥32.61

(Translation)

Notes to Impairment Loss

Use	Location	Impairment loss	
		Class	Amount (millions of yen)
Idle assets	Two facilities: former Ichinoseki and Kanegasaki plants (Ichinoseki-shi, Iwate Prefecture, etc.)	Buildings and structures	54
		Land	3
		Total	58
Property sold	Former Kyoto Plant (Yawata-shi, Kyoto Prefecture)	Land	247
		Total	247
Business assets	China (Zhuhai)	Machinery and equipment	175
		Tools, furniture and fixtures	72
		Total	247
Total			553

Asset grouping method

Based on its business classification, the Company Group has grouped assets in the smallest units of its operating businesses, which generate almost independent cash flows.

Reason for recognition of impairment losses

The above Idle assets (Buildings and structures, and Land) and have no future utilization plans. Due to this, the Company recognized impairment losses on those assets.

Also, for Property sold (Land), the Company recognized an impairment loss because their recoverable values were lower than their book values.

Regarding business assets (Machinery and equipment, and Tools, furniture and fixtures), the Company recognized an impairment loss because their cash flow is expected to be lower than the book value of the assets group in the future, owing to a deterioration in the earnings environment, and reduced the value to a recoverable value based on the use value.

Calculation method of collectable amounts

Idle assets and property sold are measured by net sales values and valued mainly based on real estate appraisal standards or by anticipated sales prices. Business assets are measured by use values and calculated by discounting the cash flows at 12.0% in the future.

(Translation)

Non-Consolidated Balance Sheet

(As of March 31, 2011)

(Unit: millions of yen)

Assets	
Item	Amount
Current assets	84,935
Cash and cash equivalents	7,969
Notes receivable	1,022
Accounts receivable	39,539
Purchased goods	2,237
Finished goods	712
Work in process	3,021
Raw materials	1,040
Supplies	89
Goods in transit	675
Advances to vendor	47
Prepaid expenses	470
Short-term loans receivable from affiliates	22,614
Accounts receivable - other	3,642
Temporary advance	16
Deferred tax assets	1,601
Others	241
Allowance for doubtful receivables	(7)
Fixed assets	238,857
Tangible fixed assets	24,272
Buildings	9,553
Structures	736
Machinery and equipment	4,855
Vehicles	17
Tools, furniture and fixtures	1,647
Land	6,753
Leased assets	505
Construction in progress	202
Intangible fixed assets	1,495
Patents	667
Leasehold rights	35
Software	736
Others	56
Investments and other assets	213,088
Investments in securities	5,076
Investments securities in affiliates	163,754
Investments in partnerships	0
Investments in partnerships with affiliates	42,600
Long-term loans receivable from employees	0
Long-term loans receivable from affiliates	462
Reorganization claim in bankruptcy, and others	0
Long-term prepaid expenses	242
Deferred tax assets	451
Others	907
Allowance for doubtful receivables	(407)
Total assets	323,792

Note: Amounts less than ¥1 million are omitted.

(Translation)

(Unit: millions of yen)

Liabilities	
Item	Amount
Current liabilities	92,005
Accounts payable	28,147
Short-term loans payable	34,450
Current portion of long-term loans payable	12,100
Current portion of bonds	11,500
Lease obligations	269
Accounts payable - other	1,765
Accrued expenses	1,009
Accrued income taxes	165
Deposits received	204
Deferred income	3
Accrued bonuses	2,270
Allowance for bonuses to directors	71
Others	47
Long-term liabilities	56,860
Long-term loans payable	56,174
Lease obligations	254
Allowance for retirement benefits	40
Allowance for retirement benefits to executive officers	156
Others	234
Total liabilities	148,866
Net assets	
Shareholders' equity	175,430
Common stock	68,258
Capital surplus	94,823
Capital reserve	94,756
Others	66
Retained earnings	18,629
Earned surplus	2,085
Others	16,544
Reserve for general purpose	6,500
Retained earnings carried forward	10,044
Treasury stock	(6,280)
Revaluation / Translation differences	(504)
Difference on revaluation of available-for-sale securities	(503)
Deferred gains or losses on hedges	(0)
Total net assets	174,926
Total liabilities and net assets	323,792

Note: Amounts less than ¥1 million are omitted.

(Translation)

Non-Consolidated Statement of Income
(From April 1, 2010 to March 31, 2011)

(Unit: millions of yen)

Item	Amount	
Net sales		201,058
Cost of sales		174,170
Gross profit		26,888
Selling, general and administrative expenses		19,061
Operating income		7,826
Other income		
Interest income	240	
Dividends income	2,024	
Rent income of fixed assets	159	
Others	294	
		2,719
Other expenses		
Interest expenses	1,098	
Interest on bonds	236	
Foreign currency exchange loss	92	
Others	105	
		1,533
Ordinary income		9,012
Extraordinary income		
Gain on sales of fixed assets	59	
Gain on sales of stocks of subsidiaries and affiliates	16	
Reversal of allowance for doubtful receivables	36	
Reversal of allowance for loss on guarantees	120	
		232
Extraordinary loss		
Loss on sales of fixed assets	15	
Loss on disposal of fixed assets	212	
Impairment loss	305	
Loss on after-care of products	5	
		539
Income before income taxes		8,705
Income taxes (including enterprise tax)	706	
Adjustment of income taxes	3,182	
		3,888
Net Income		4,817

Note: Amounts less than ¥1 million are omitted.

(Translation)

Non-Consolidated Statement of Changes in Net Assets

(From April 1, 2010 to March 31, 2011)

(Unit: millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Earned surplus	Retained earnings		
		Capital reserve	Others	Total capital surplus		Others		Total retained earnings
					Reserve for general purpose	Retained earnings carried forward		
Balance at March 31, 2010	68,258	94,756	11	94,767	2,085	6,500	7,901	16,486
Changes								
Cash dividend from surplus							(2,674)	(2,674)
Net income							4,817	4,817
Purchase of own shares								
Sales of own shares			55	55				
Changes (net) in non-shareholders' equity items								
Total changes	-	-	55	55	-	-	2,142	2,142
Balance at March 31, 2011	68,258	94,756	66	94,823	2,085	6,500	10,044	18,629

	Shareholders' equity		Revaluation / Translation differences			Total net assets
	Treasury stock	Total shareholders' equity	Difference on revaluation of available-for-sale securities	Deferred gains or losses on hedges	Total revaluation / translation differences	
Balance at March 31, 2010	(6,567)	172,945	80	(0)	80	173,026
Changes						
Cash dividend from surplus		(2,674)				(2,674)
Net income		4,817				4,817
Purchase of own shares	(23)	(23)				(23)
Sales of own shares	310	365				365
Changes (net) in non-shareholders' equity items			(584)	(0)	(584)	(584)
Total changes	287	2,485	(584)	(0)	(584)	1,900
Balance at March 31, 2011	(6,280)	175,430	(503)	(0)	(504)	174,926

Note: Amounts less than ¥1 million are omitted.

(Translation)

Notes to Non-Consolidated Financial Statements

Significant Accounting Policies

(1) Standards and method of valuation of assets

Marketable securities

Investments securities in subsidiaries:

Stated at cost determined by the moving average method.

Other marketable securities:

·Securities with market value

Market value method based on market prices and other conditions at the end of the term. (The revaluation differences are accounted for based on the direct net assets method and the sales costs are calculated by the moving average method.)

·Securities without market value

Non listed marketable securities are stated at cost determined by the moving average method.

Derivatives

Market value method

Inventories

Purchased goods: Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).

Finished goods: Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).

Work in process: Stated at cost determined by the moving average method for bearings, fasteners, and motors (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).

Stated at cost determined respectively for measuring equipment, special motors and special machinery components (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).

Raw materials: Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).

Supplies: Stated at cost determined by the moving average method (the balance sheet amounts of the inventories are calculated at the lowered book values reflecting potential decline in profitability).

(2) Depreciation

Tangible fixed assets (excluding leased assets):

Depreciation of tangible fixed assets is made on the declining balance method based on estimated useful lives of the assets.

Their major useful lives are as follows:

Buildings and structures 2 to 50 years

Machinery and equipment 2 to 15 years

Tools, furniture and fixtures 2 to 20 years

The depreciation method of depreciation assets whose acquisition values are more than ¥100,000 and less than ¥200,000 has been changed to a method by which those assets are equally depreciated in lump sum for 3 years.

Intangible fixed assets (excluding leased assets):

Depreciation of intangible fixed assets is made on the straight-line method.

The depreciation method of software (for internal use) is computed on the straight-line method based on our expected useful period (5 years).

Leased assets:

Lease assets related to finance lease transactions that do not transfer ownership

The Company adopts the straight-line method of making lease periods depreciable lives and salvage values zero.

Long-term prepaid expenses:

Depreciation of long-term prepaid expenses is made on the straight-line method.

(3) Translation of foreign currency assets and liabilities

Translation of foreign currency assets and liabilities are translated into yen at the exchange rate on the balance sheets date. The resulting exchange differences are accounted for as an exchange gain or loss.

(Translation)

(4) Allowances

Allowance for doubtful receivables:

In order to prepare against losses resulting from irrecoverable receivables, an allowance has been reserved in the amount required for estimated uncollectible receivables based on actual losses of trade receivables and on collectability of specific receivables with loss possibilities.

Accrued bonuses:

To make preparations for the payment of bonuses to employees, accrued bonuses are shown based on the anticipated amounts of payment in the current term.

Allowance for bonuses to directors:

To provide for payment of bonuses to directors, the Company records an amount, based upon the estimated amount of payment for the current fiscal year.

Allowance for retirement benefits:

To provide for payment of employee retirement benefits, the Company reported an allowance for retirement benefits or prepaid pension costs, based on estimated retirement benefit debts and pension assets at the end of the current term.

At the end of the current fiscal year, prepaid pension costs is included in others of investments and other assets.

Unrecognized prior service cost is amortized using the straight-line method over a period of 10 years as cost.

Over the 5 years from the following term after the differences accrue, the Company will charge differences in mathematical calculation to expenses in accordance with the straight-line method.

Allowance for retirement benefits to executive officers:

To provide for payment of retirement allowance to executive officers, the estimated amount to be required according to our internal regulations as of the end of the period of the current fiscal year is shown.

(5) Accounting method of hedge transactions

(i) Method of hedge accounting

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

(ii) Hedging vehicles and hedged items

(Hedging vehicles)

Forward exchange contracts

Interest rate swaps

(Hedged items)

Monetary receivables and payables in foreign currency

Anticipated transactions in foreign currencies

Interest rates on borrowings

(iii) Hedge policy

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

(iv) Method of assessing hedge effectiveness

Regarding forward exchange contracts, the Company allocates them to monetary receivable and payable with same maturity and with same amounts in foreign currency, at closing of 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 accounting requirements for special treatment.

(6) Other significant accounting policies

Consumption taxes

Consumption tax and other related taxes are excluded from revenues and purchases of the Company.

(7) Changes in accounting policies

Application of Accounting Standard for Asset Retirement Obligations

Since this fiscal year, the Company has applied the Accounting Standard for Asset Retirement Obligations (Business Accounting Standards No. 18; March 31, 2008) and the Application Guideline for the Accounting Standard for Asset Retirement Obligations (Application Guidelines for Business Accounting Standards No. 21; March 31, 2008).

This application of the amendment has had no impact on the Company's financial results.

(Translation)

Notes to Non-Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment: ¥54,577 million

(2) Contingent liabilities
Guarantee liabilities

The Company has provided the following companies with guarantees for their bank borrowings, etc.

Guarantee	Amount (millions of yen)
NMB-Minebea Thai Ltd.	7,268
MINEBEA (HONG KONG) LIMITED	5,961
NMB SINGAPORE LIMITED	1,706
Other 10 companies	564
Total	15,501

(3) Monetary receivables from and monetary payables to affiliates:

Short-term receivables ¥27,358 million

(excluding short-term loan receivables from affiliates)

Short-term payables ¥22,892 million

Notes to Non-Consolidated Statement of Income

(1) Transaction with affiliates:

Sales: ¥143,767 million

Purchase: ¥129,640 million

Amount of other operational transactions: ¥4,804 million

Amount of non-operating transactions: ¥2,506 million

(2) Total R&D expenses

The R&D expenses included in general administrative expenses and manufacturing costs for the current fiscal year are ¥6,060 million.

Notes to Non-Consolidated Statement of Changes in Net Assets

Class and Number of Treasury Stock

Class of Shares	Shares at previous FY (shares)	Increased shares in current FY (shares)	Decreased shares in current FY (shares)	Shares at end of current FY (shares)
Common stock (Notes)	17,219,412	46,925	743,134	16,523,203

Notes:

1. The 46,925 shares increase in the number of own shares of common stock reflects the increase of purchases of fractional shares.
2. The 743,134 shares decrease in the number of own shares of common stock reflects the decrease of 742,000 shares resulting from disposal of treasury stock by the Employee Stock Holding Exclusive Trust Account, and request for purchases of 1,134 fractional shares.
3. The number of own shares of common stock includes our shares owned by the Employee Stock Holding Partnership Exclusive Trust Account (2,025,000 for previous FY and 1,283,000 for current FY).

(Translation)

Notes to Tax-Effect Accounting

(1) Major reasons for the accrual of deferred tax assets and deferred tax liabilities:

(Deferred tax assets)

Excess of allowed limit chargeable to the accrued bonuses	¥885 million
Retirement benefits to directors and corporate auditors	75
Loss on the revaluation of investments in securities	350
Loss on the revaluation of investments securities in affiliates	5,311
Excess of allowed limit chargeable to the allowance for doubtful receivable	159
Excess of allowed limit chargeable to the depreciation	340
Impairment loss	123
Deficit brought forward	5
Foreign tax credit carry forwards	745
Others	498
Sub-total	<u>8,495</u>
Valuation allowance	<u>(6,195)</u>
Total deferred tax assets	<u>2,300</u>

(Deferred tax liabilities)

Difference on revaluation of other marketable securities	1
Prepaid pension cost	<u>245</u>
Total deferred tax liabilities	<u>247</u>
Net deferred tax assets	<u>2,053</u>

(2) Major reasons for significant difference between the legal effective tax rate and the ratio of income tax burden after the application of tax effect accounting

Domestic legal effective tax rate	39.0%
(Adjustments)	
Items to be regarded as taxable expenses, such as entertainment expenses	0.7
Items to be excluded from gross revenue, such as dividends income	(8.2)
Inhabitant tax levied per capita	0.5
Foreign tax credit carry forwards	8.2
Valuation allowance	(3.8)
Income taxes for prior year	6.5
Others	<u>1.8</u>
Ratio of income tax burden after the application of tax effect accounting	<u>44.7</u>

Notes to Fixed Assets Used through Lease Contracts

(1) Finance lease transactions (lessee)

Finance lease transactions that do not involve transfer of ownership

(i) Leased asset quality

a. Tangible fixed assets

Mainly helicopters (vehicles) and computer terminals (Tools, furniture and fixtures).

b. Intangible fixed assets

Software

(ii) Depreciation method of leased assets

Please refer to (2) Depreciation of Significant Accounting Policies.

(2) Operating leases

Outstanding future lease payments for noncancellable operating leases

Due within 1 year	¥504 million
Due after 1 year	<u>342</u>
Total	<u>846</u>

(Translation)

Notes to Transactions with Relevant Parties

(1) Subsidiaries etc.

Name of Company, etc.	Voting Rights or Ownership (%)	Contents of relation		Transaction	Total Transactions (millions of yen)	Account Title	Balance at the End of Period (millions of yen)
		Concurrently Serving etc.	Business Relations				
Minebea Motor Manufacturing Corporation	60.0	Concurrently serving 3	NMB-MAT sells rotary devices and related parts and the Company purchases from NMB-MAT certain parts of such devices and parts for resale.	Purchase of rotary devices and related parts	52,416	Account payable*2	3,949
NMB-Minebea-GmbH	100.0	Concurrently serving 1	NMB-Minebea-GmbH sells the Company's products and products purchased mainly in Germany.	Sales of the Company's products and products purchased	14,178	Account receivable	3,728
Precision Motors Deutsche Minebea GmbH	100.0	Concurrently serving 1	Precision Motors Deutsche Minebea GmbH develops and designs motors and others.	Payment of development cost incurred	1,736	Account payable -other	173
NMB-Minebea Thai Ltd.	100.0	Concurrently serving 5	NMB-Minebea Thai Ltd. manufactures bearings, motors and others, and the Company purchases them for resale. Loans from the Company.	Purchase of bearings, motors and others	43,930	Account payable	8,822
				Fund loan	54,000	Short-tem loans receivable	22,500
				Recovery of funds	44,900	—	—
				Interest income	228	—	—
				—	—	Guarantee of obligation	7,268
MINEBEA (HONG KONG) LIMITED	100.0	Concurrently serving 2	MINEBEA (HONG KONG) LIMITED sells the Company's products and products purchased mainly in China.	Sales of the Company's products and products purchased	82,437	Account receivable	12,149
				—	—	Guarantee of obligation	5,961

Notes: Terms and decision policy of the transaction

1. Transaction prices, etc. are negotiated and decided in consideration of market prices.
- *2. The transaction amounts do not include the consumption taxes and the year end balance amounts include them.
3. Lending rate on loans is reasonably determined taking into account the market interest rate.
4. The Company provides debt guarantee for bank loan etc. of each company.

(2) Directors and main individual shareholder

Attribution	Name	Voting Rights (own or owned)	Contents of relation		Contents of transaction	Transaction amount (millions of yen)	Account title	Year end balance (millions of yen)
			Concurrently serving etc.	Relation of business				
Companies which the company's directors and nearly related person have over 50% of Voting right	KEIAISHA Co., Ltd.	(Owned) Direct 3.91%	Concurrently serving 1	The Company purchases steel bar etc.	Purchase of steel bar etc.	6,035	Account payable*2	533
					Leased assets		322	
					Tools, furniture and fixtures lease transactions & rent etc.	647	Lease obligations*2	332
							Account payable - other, current liabilities and others*2	7
					Land rent	33		
				Non-operating income	12	Account receivable - others*2	11	

Notes: Terms and Decision Policy of the Transaction

1. Transaction prices, etc. are negotiated and decided in consideration of market prices.
- *2. The transaction amounts do not include the consumption taxes and the year end balance amounts include them.

Notes to Per Share Information

- (1) Net assets per share ¥457.15
- (2) Net income per share ¥12.60

(Translation)

Notes to the Retirement Allowance Accounting

(1) Retirement allowance plan adopted by the Company

The Company has fully adopted the defined contribution pension plan and the defined benefit pension plan to provide against retirement payments to employees.

(2) Substance of retirement benefit liabilities

(i) Retirement benefit liabilities and their breakdown:

a. Retirement benefit liabilities	¥14,297 million
b. Pension assets	11,000
c. Balance (a – b)	3,296
d. Unrecognized prior service costs	2,157
e. Unrecognized amortization of actuarial difference	1,729
f. Difference (c – d – e)	(589)
g. Prepaid pension cost	(630)
h. Allowance for retirement benefit	40

(ii) Breakdown of expense for retirement benefit:

a. Service expense	¥699 million
b. Interest expense	275
c. Expected investment income	(189)
d. Unrecognized prior service costs expenses	308
e. Amortization of actuarial difference treated as expense	374
f. Retirement benefit costs (a + b + c + d + e)	1,467
g. Defined contribution pension premiums	142
Total	1,609

(3) Calculation basis for retirement benefit liabilities

Discount rate 2.0%

Expected investment income rate 2.0%

Method of periodic allocation of expected retirement benefit amounts: Periodic fixed standard

Number of years for amortization of unrecognized prior service costs: 10 years (From the business year which they are incurred, it is charged to expense by the straight-line method.)

Number of years required for the treatment of the amortization of actuarial difference: 5 years (From the next business year, it is charged to expense by the straight-line method.)

Notes to Impairment Loss

Use	Location	Impairment loss	
		Class	Amount (millions of yen)
Idle assets	Two facilities: former Ichinoseki and Kanegasaki plants (Ichinoseki-shi, Iwate Prefecture, etc.)	Buildings	54
		Land	3
		Total	58
Property sold	Former Kyoto Plant (Yawata-shi, Kyoto Prefecture)	Land	247
		Total	247
Total			305

Asset grouping method

Based on its business classification, the Company has grouped assets in the smallest units of its operating businesses, which generate almost independent cash flows.

Reason for the recognition of impairment losses

The above Idle assets (Buildings and Land) and have no future utilization plans. Due to this, the Company recognized impairment losses on those assets.

Also, for Property sold (Land), the Company recognized an impairment loss because their recoverable values were lower than their book values.

Calculation method of collectable amounts

Idle assets and property sold are measured by net sales values and valued mainly based on real estate appraisal standards or by anticipated sales prices.

Report of the Independent Auditors for Consolidated Financial Statements

AUDIT REPORT OF THE INDEPENDENT AUDITORS

May 9, 2011

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

KPMG AZSA LLC

Toshiharu Kawai (seal)
Designated Limited Liability Partner
Certified Public Accountant

Yoshihiko Nakamura (seal)
Designated Limited Liability Partner
Certified Public Accountant

Danya Sekiguchi (seal)
Designated Limited Liability Partner
Certified Public Accountant

We have audited the consolidated Financial Statements, including the Consolidated Balance Sheet the Consolidated Statement of Income, the Consolidated Statement of Changes in Shareholders' Equity and Notes to Consolidated Financial Statements of MINEBEA CO., LTD., for the fiscal year from April 1, 2010 to March 31, 2011, pursuant to Paragraph 4, Article 444, of the Companies Act. It is the management of the Company that bears the responsibility of compilation of the consolidated financial statements, while our responsibility is to express an opinion on the consolidated financial statements from an independent standpoint.

Our examination was made in accordance with generally accepted auditing standards in Japan and, accordingly, we performed such auditing procedures as we considered necessary in the circumstances. These auditing standards require us to gain a reasonable assurance whether these consolidated financial statements are free of material misstatement. The auditing is conducted on a test basis; it includes our examination of the presentation of the consolidated financial statements in its entirety, including the accounting policies and their application methods adopted by the corporate management, as well as our assessment of the estimation that was made by the management. As a result of the audit we conducted in these ways, we believe that we have obtained a reasonable basis for our opinions.

We are of the opinion that the above consolidated financial statements fairly present in all material aspects the financial position and the results of its operations of the Company and its consolidated affiliates as a corporate group for the period under review in conformity with corporate accounting standards generally accepted in Japan.

Neither our firm nor any of the partners in charge has any interest in the Company as required to be disclosed herein under the provisions of the Certified Public Accountant Law.

(Translation)

Report of the Independent Auditors for Non-Consolidated Financial Statements

AUDIT REPORT OF THE INDEPENDENT AUDITORS

May 9, 2011

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

KPMG AZSA LLC

Toshiharu Kawai (seal)
Designated Limited Liability Partner
Certified Public Accountant

Yoshihiko Nakamura (seal)
Designated Limited Liability Partner
Certified Public Accountant

Danya Sekiguchi (seal)
Designated Limited Liability Partner
Certified Public Accountant

We have audited the Financial Statements, including the Balance Sheet, the Statement of Income, the Statement of Changes in Shareholders' Equity and Notes to Non-consolidated Financial Statements and their supplementary statements of MINEBEA CO., LTD., for the 65th fiscal year from April 1, 2010 to March 31, 2011, pursuant to Paragraph 1, Article 436-2 of the Companies Act. It is the management of the Company that bears the responsibility of compilation of these financial statements and their supplementary details, while our responsibility is to express an opinion on the financial statements and their supplementary details from an independent standpoint.

Our examination was made in accordance with generally accepted auditing standards in Japan and, accordingly, we performed such auditing procedures as we considered necessary in the circumstances. These auditing standards require us to gain a reasonable assurance whether these financial statements and their supplementary details are free of material misstatement. The auditing is conducted on a test basis; it includes our examination of the presentation of the financial statements and their supplementary details in its entirety, including the accounting policies and their application methods adopted by the corporate management, as well as our assessment of the estimation that was made by the management. As a result of the audit we conducted in these ways, we believe that we have obtained a reasonable basis for our opinions.

We are of the opinion that the above financial statements and supplementary statements fairly present in all material aspects the financial position and the results of its operations of the Company for the period under review in conformity with corporate accounting standards generally accepted in Japan.

Neither our firm nor any of the partners in charge has any interest in the Company as required to be disclosed herein under the provisions of the Certified Public Accountant Law.

(Translation)

Report of the Board of Corporate Auditors

AUDIT REPORT

As the results of deliberation, the Board of Corporate Auditors prepared this Audit Report in accordance with reports presented by each Corporate Auditor with respect to the performance of duties by the Directors during the 65th business year from April 1, 2010 to March 31, 2011, and report the results as follows:

1. Method and Content of Audit Conducted by Corporate Auditors and Board of Corporate Auditors

The Board of Corporate Auditors established the audit policy and allocation of duties, etc., received reports from each Corporate Auditor on the implementation of audit and its results, received reports from Directors, etc. and the Independent Auditors on the performance of their duties and asked them details when necessary.

Each Corporate Auditor conforms to the auditing standards prescribed by the Board of Corporate Auditors, complies with the audit policy and allocation of duties, etc., maintains communication with Directors, executive officers, the Internal Auditing Office and other employees, etc., endeavors to collect information and establishes a system necessary for auditing services, attends meetings of the Board of Directors and other important meetings, receives reports from Directors, executive officers and employees, etc. on the performance of their duties, asks them details when necessary, reviews important written decisions, and investigates business and financial conditions at the head office as well as at the main business offices of the Company. In addition, each Corporate Auditor monitors and examines the resolutions of the Board of Directors and the status of the system developed under such resolutions with regard to the development of the system stipulated in Article 100, Paragraph 1 and 3 of the Enforcement Regulations of the Companies Act (Internal Control System) necessary to ensure the conformity of the performance of duties by Directors with laws and the Articles of Incorporation and also ensure the appropriateness of business in a corporation.

Regarding the internal control relevant to financial report under the Financial Instruments and Exchange Law, we received report from both directors, etc., and KPMG AZSA LLC regarding progress of their discussions and evaluation of internal control and auditing status, and asked for explanation as needed.

The Basic Policy of Item 3 (a), Article 118 of the Enforcement Regulations of the Companies Act and each approach of Item 3 (b), Article 118 of the same described in the Business Report were reviewed based upon the deliberations by the board of directors and others.

Each Corporate Auditor maintains communication and exchanges information with Directors and Corporate Auditors, etc. of subsidiaries, receives business reports of the subsidiaries when necessary. Through the above methods, the Corporate Auditor reviews business reports and detailed statements of the Company for such business year.

Further, we monitored and verified that the Independent Auditors have maintained their independence and conducted appropriate audits. Also, we received reports from the Independent Auditors regarding the execution of their duties and requested explanations as needed. The Company received a notice from the Independent Auditors purporting to the formulation of a "System to ensure proper performance of its duties" (provided in each item of Article 131 of the Corporate Accounting Rules) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), among others, and requested explanations as needed. Through the above methods, we reviewed financial statements for such business year (balance sheets, statements of income, statement of changes in net assets and notes to financial statements) and supplementary statements and consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statement of changes in net assets and notes to consolidated financial statements).

(Translation)

2. Results of Audit

(1) Audit Results of Business Reports, etc.

- 1) We certify that the business reports and their detailed statements fairly present the situation of the Company in accordance with laws and the Articles of Incorporation.
- 2) We found no wrongful act or material fact in violation of laws or the Articles of Incorporation with respect to the performance of duties by the Directors.
- 3) We certify that the resolutions of the Board of Directors with respect to the internal control system are proper and correct. In addition, we found no matter to be pointed out about the performance of duties by the Directors with respect to the internal control system.
- 4) We found no matter to be pointed out about the basic policy, which is described in the business report, regarding the quality and nature of persons who control decisions on the Company's financial and business policies. We certify that those measures are consistent with such basic policy, would not interfere with the shareholders' common interests and are introduced not for maintaining the positions of the Company's officers.

(2) Audit Results of Financial Statements and Supplementary Statements

We certify that the auditing method of KPMG AZSA LLC and the results of its audit are proper and correct.

(3) Audit Results of Consolidated Financial Statements

We certify that the auditing method of KPMG AZSA LLC and the results of its audit are proper and correct.

May 10, 2011

Board of Corporate Auditors of Minebea Co., Ltd.

Akifumi Kamoi (seal)
Standing Corporate Auditor
Kazuaki Tanahashi (seal)
Standing Outside Corporate Auditor
Isao Hiraide (seal)
Outside Corporate Auditor
Hirotaka Fujiwara (seal)
Outside Corporate Auditor

(Translation)

Reference Documents for the General Meeting of the Shareholders

First Proposal:

Appropriation of Surplus

The appropriation of surplus of the Company shall be as follows:

Matters concerning year-end dividend:

Comprehensively taking into account the business environment and maintaining a continuous, stable profit distribution, the Company will set the basic policy under which it gives top priority to improving the efficiency of shareholders' equity and distributing more profit to shareholders, thereby returning its profits to shareholders commensurate with its business performance. In accordance with this policy, the dividends of the 65th business period shall be as follows:

- (1) Type of dividend
Cash
- (2) Matters concerning the allocation of dividend and total amount
Dividend per common share of the Company would be ¥4
In this case, total dividends are ¥1,535,709,968.
Since the interim dividend in the amount of ¥3 has been distributed, the annual dividend for the current term would be ¥7 per share.
- (3) Effective date for surplus dividend
June 30, 2011

Second Proposal:

Partial Amendments to the Articles of Incorporation

1. Reason for the Amendments

- (1) The purpose of Article 2 of the existing Articles of Incorporation will be partially amended in order to reflect the situation in which Minebea's businesses are diversifying.
- (2) The public notice method of Article 5 of the existing Articles of Incorporation will be changed to electronic public notice in order to enhance convenience in public notice and reduce expenses. It will also set forth the method when the Company is unable to carry out public notice by way of electronic public notice due to unavoidable reason.
- (3) The limit to the place for holding General Meetings of Shareholders set in Article 13 of the existing Articles of Incorporation ("Time and Place of General Meetings of Shareholders") will be deleted in order to secure such places. At the same time, the heading of the same Article will be amended to read ("Convening of General Meetings of Shareholders").
- (4) The provisions of Article 24 and Article 34 of the existing Articles of Incorporation ("Chairman and Convening of the Meetings of the Board of Directors") and ("Convening of the Meetings of the Board of Corporate Auditors") will be partially amended from "three (3) days prior to the date" to "by three (3) days prior to the date" in order to further clarify the provisions regarding when to give notice announcing the convocation of the meetings of the Board of Directors and of the meetings of the Board of Corporate Auditors.
- (5) Some wording improvements in other parts of the Articles of Incorporation will be made.

(Translation)

2. Details of the Amendments

Details of the Amendments are as follows.

(Underlined parts are amended.)

Existing Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter I General Provisions</p> <p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses:</p> <p>1. Manufacture, sale, export and import of the following: (1) to (4) (Not Amended) <u>(5) medical instruments and apparatus for medical use;</u> (6) to (15) (Not Amended) (Newly added)</p> <p><u>2.</u> to <u>8.</u> (Not Amended)</p> <p>(Method of Public Notice) Article 5. Public notice <u>of</u> the Company shall be given in the <i>Nihon Keizai Shinbun</i>.</p>	<p style="text-align: center;">Chapter I General Provisions</p> <p>(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses:</p> <p>1. Manufacture, sale, export and import of the following: (1) to (4) (Not Amended) (Deleted) (5) to (14) (Not Amended) <u>2. Manufacture, sale, marketing, repair, export and import of medical instruments;</u> <u>3.</u> to <u>9.</u> (Not Amended)</p> <p>(Method of Public Notice) Article 5. Public notice <u>by</u> the Company shall be <u>carried out by way of electronic public notice. Provided, however, when the Company is unable to carry out public notice by way of electronic public notice due to accident or unavoidable reason, it shall be given in the Nihon Keizai Shinbun.</u></p>
<p style="text-align: center;">Chapter III General Meetings of Shareholders</p> <p>(<u>Time and Place</u> of General Meetings of Shareholders) Article 13. An ordinary general meeting of shareholders shall be convened every June and extraordinary general meetings of shareholders shall be convened whenever need arises. <u>General meeting of shareholders of the Company shall be held at the place where the Company has its head office, or in its adjoining location, or within the wards of Tokyo.</u></p>	<p style="text-align: center;">Chapter III General Meetings of Shareholders</p> <p>(<u>Convening</u> of General Meetings of Shareholders) Article 13. An ordinary general meeting of shareholders shall be convened every June and extraordinary general meetings of shareholders shall be convened whenever need arises. (Deleted)</p>

Existing Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter IV Directors and the Board of Directors</p> <p>(Chairman and Convening of the Meetings of the Board of Directors)</p> <p>Article 24. A meeting of the Board of Directors shall be convened by Representative Director, by whom the chairmanship shall be assumed. In case more than one person are elected as the Representative Director then it may be convened by Representative Director in the order previously determined by the Board of Directors, and the office of the Representative Director is vacant or he/she is unable to act, then it may be convened by another Director in the order previously determined by the Board of Directors.</p> <p>Notice of a meeting of the Board of Directors shall be dispatched to each Director and each Corporate Auditor <u>not later than</u> three (3) days prior to the date set for the meeting. <u>Provided, however,</u> that in case of emergency, such period may be shortened.</p>	<p style="text-align: center;">Chapter IV Directors and the Board of Directors</p> <p>(Chairman and Convening of the Meetings of the Board of Directors)</p> <p>Article 24. A meeting of the Board of Directors shall be convened by Representative Director, by whom the chairmanship shall be assumed. In case more than one person are elected as the Representative Director then it may be convened by Representative Director in the order previously determined by the Board of Directors, and the office of the Representative Director is vacant or he/she is unable to act, then it may be convened by another Director in the order previously determined by the Board of Directors.</p> <p>Notice of a meeting of the Board of Directors shall be dispatched to each Director and each Corporate Auditor <u>by</u> three (3) days prior to the date set for the meeting; <u>provided, however,</u> that in case of emergency, such period may be shortened.</p>
<p style="text-align: center;">Chapter V Corporate Auditors and the Board of Corporate Auditors</p> <p>(Convening of the Meetings of the Board of Corporate Auditors)</p> <p>Article 34. Notice of a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor <u>not later than</u> three (3) days prior to the date set for the meeting. <u>Provided, however,</u> that in case of emergency, such period may be shortened.</p>	<p style="text-align: center;">Chapter V Corporate Auditors and the Board of Corporate Auditors</p> <p>(Convening of the Meetings of the Board of Corporate Auditors)</p> <p>Article 34. Notice of a meeting of the Board of Corporate Auditors shall be given to each Corporate Auditor <u>by</u> three (3) days prior to the date set for the meeting; <u>provided, however,</u> that in case of emergency, such period may be shortened.</p>

(Translation)

Third Proposal:

Election of Ten (10) Directors

The terms of office of all ten (10) Directors will expire at the conclusion of this General Meeting of Shareholders. Therefore, it is hereby requested that ten (10) Directors be elected at this General Meeting of Shareholders.

The candidates for Director of the Company are as follows:

No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company (including significant concurrent positions outside the Company)	Number of shares of the Company held
1	Yoshihisa Kainuma (February 6, 1956)	<p>Apr. 1983 Member of Daini Tokyo Bar Association</p> <p>Dec. 1988 Director and General Manager of Legal Dept. of the Company</p> <p>Sep. 1989 Member of New York State Bar Association</p> <p>Oct. 1990 Representative Senior Managing Director of KEIAISHA NMB Co., Ltd. (current KEIAISHA Co., Ltd.)</p> <p>Dec. 1992 Managing Director and Deputy General Manager of Operations Headquarters</p> <p>Dec. 1994 Senior Managing Director, General Manager of European and American Regional Sales Headquarters, Deputy General Manager of Operations Headquarters</p> <p>Jul. 1995 General Manager of Operations Headquarters</p> <p>Aug. 1999 Member of Tokyo Office Administration Executive Council, in charge of Personnel & General Affairs and Logistics & Procurement</p> <p>Jun. 2001 Director of KEIAISHA Co., Ltd.</p> <p>Jun. 2003 Director, Senior Managing Executive Officer</p> <p>Jul. 2005 Chief of Operations Headquarters</p> <p>Oct. 2005 Chief of Operations Headquarters and General Manager of Legal Division</p> <p>Jun. 2006 Head of Information Motor Business Unit</p> <p>Jun. 2006 President and Representative Director of Minebea-Matsushita Motor Co., Ltd. (current Minebea Motor Manufacturing Corporation) President and Representative Director of NMB Electro Precision, Inc.</p> <p>Apr. 2009 Representative Director, President and Chief Executive Officer (Present)</p>	55,000
2	Koichi Dosho (November 4, 1949)	<p>Mar. 1973 Joined the Company</p> <p>Apr. 1989 General Manager in charge of European Operations of Minebea Group</p> <p>Aug. 1989 President and Director of NMB-Minebea-GmbH</p> <p>Dec. 1989 Director</p> <p>Dec. 1992 General Manager of European Region Operations</p> <p>Apr. 1999 Managing Director</p> <p>Aug. 1999 General Manager of Sales Headquarters, European & American Regional Sales Headquarters</p> <p>Apr. 2001 In charge of R&D Headquarters</p> <p>Jun. 2003 Director (Present), Managing Executive Officer</p> <p>Jun. 2005 Senior Managing Executive Officer</p> <p>Jul. 2005 Chief of Sales Headquarters</p> <p>Jun. 2009 Vice President Executive Officer in charge of Sales at HDD Motor Business Headquarters (Present)</p> <p>Apr. 2010 In charge of EMT Business Unit at Rotary Components Business Headquarters (Present)</p>	38,000

(Translation)

No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company (including significant concurrent positions outside the Company)	Number of shares of the Company held
3	Hiroharu Katogi (March 21, 1949)	Mar. 1971 Joined the Company Jun. 1989 General Manager of General Administration Department Dec. 1993 Director Aug. 1999 General Manager of Business Administration Department Jun. 2003 Executive Officer Jun. 2004 Managing Executive Officer, in charge of Business Administration and Investor Relations Jun. 2005 Director (Present) Jul. 2005 Chief of Administration Headquarters, General Manager of Business Administration Division and of Information Systems Division Jun. 2007 Senior Managing Executive Officer (Present) Jun. 2009 Officer in charge of Operations & Planning Division (Present)	42,000
4	Akihiro Hirao (November 19, 1948)	Jun. 1974 Joined the Company Sep. 1986 General Manager of Engineering Department of Tokyo Screw Manufacturing Unit Dec. 1986 Director Jan. 1990 General Manager of R&D Center Jun. 1997 General Manager of Omori Manufacturing Unit Jun. 2003 Executive Officer Jun. 2005 Director (Present), Managing Executive Officer Jul. 2005 Deputy Chief of Engineering Headquarters, General Manager of Engineering Support Division, Head of Defense-Related Special Parts Business Unit Jun. 2007 Senior Managing Executive Officer (Present), Chief of Engineering Headquarters, Head of Engineering Support Division, Officer in charge of Environmental Preservation Jun. 2009 Officer in charge of Engineering Support Division., Chef of Special Device Business Headquarters, Officer in charge of Engineering at HDD Motor Business Headquarters (Present)	40,000
5	Eiichi Kobayashi (May 25, 1948)	Apr. 1964 Joined the Company Apr. 1992 General Manager of Tool & Die Department of Karuizawa Manufacturing Unit Apr. 2003 General Manager of Production Technology Center and Tool & Die Department of Karuizawa Manufacturing Unit Jun. 2003 Executive Officer Jun. 2005 Director (Present), Managing Executive Officer Jul. 2005 Chief of Manufacturing Headquarters Jun. 2007 Senior Managing Executive Officer (Present) Jun. 2009 Chief of HDD Motor Business Headquarters (Present)	46,000
6	Hiroyuki Yajima (April 29, 1951)	Mar. 1973 Joined the Company Jan. 1997 Manufacturing Manager of Bearing Manufacturing Department of Karuizawa Manufacturing Unit Jan. 2002 Head of Bearing Manufacturing Department of Karuizawa Manufacturing Unit Jun. 2003 Executive Officer Jun. 2004 Managing Executive Officer Jul. 2005 Head of Ball Bearing Business Unit (Present) Jun. 2007 Senior Managing Executive Officer (Present) Jun. 2009 Director, Chief of Machined Components Business Headquarters (Present)	14,000

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No.	Name (Date of Birth)	Career Summary, Position and Responsibilities at the Company (including significant concurrent positions outside the Company)	Number of shares of the Company held
7	Masayoshi Yamanaka (April 7, 1948)	Mar. 1971 Joined the Company Aug. 1992 President of NMB (USA) Inc. Dec. 1992 General Manager of North and South Americans Operations Dec. 1993 Director Jun. 2003 Executive Officer Dec. 2003 General Manager of Asian Region Operations Jun. 2005 Managing Executive Officer Jun. 2006 Deputy Chief of Operations Headquarters, General Manager of Corporate Planning Division. Jun. 2007 Director (Present), Chief of Operations Headquarters, Head of Procurement Division and of Legal Division Jun. 2009 Senior Managing Executive Officer in charge of Sales Division (Present)	23,000
8	Hiroataka Fujita (May 23, 1952)	Apr. 1976 Joined the Company Aug. 1989 General Manager of Third Device Manufacturing Division, Electronic Device Business Unit Apr. 1997 General Manager of Electronics Device Division, Hamamatsu Manufacturing Unit Jun. 2003 Executive Officer Jun. 2005 Managing Executive Officer Jul. 2005 Deputy Chief of Manufacturing Headquarters, Head of Electronic Device Business Unit Jun. 2007 Director (Present) Jun. 2009 Senior Managing Executive Officer, Chief of Rotary Component Business Headquarters, Head of Information Motor Business Unit (Present), President and Representative Director, Minebea Motor Manufacturing Corporation. (Present)	18,000
9	Kohshi Murakami (February 8, 1940)	Apr. 1967 Appointed an assistant Judge, Tokyo District Court Apr. 1999 Presiding Justice of the Division (Acting Chief Justice, Specialized Economic and Financial Affairs Department), Tokyo High Court Apr. 2005 Employed as Professor, Graduate School of Law, Kyoto University Jun. 2005 Joined TMI Associates as Special Counsel (Present) Nov. 2005 Appointed Outside Corporate Auditor of SANEI-INTERNATIONAL CO., LTD. Apr. 2008 Employed as Visiting Professor, Yokohama National University May 2008 Member of the Independent Committee of the Company (Present) Jun. 2008 Director of the Company (Present) Apr. 2010 Employed as Professor, Juris Doctor Program (Law School), Daito Bunka University (Present)	-
10	Takashi Matsuoka (January 17, 1964)	Apr. 2003 General Manager of Planning Division, KEIAISHA Co., Ltd. Jun. 2003 Director, KEIAISHA Co., Ltd. Jun. 2004 Managing Director, KEIAISHA Co., Ltd. Jun. 2005 Director of the Company (Present) Jun. 2007 Senior Managing Director, KEIAISHA Co., Ltd. (Present)	93,765

Notes:

1. Special relationship between respective candidates and the Company is as follows:

(1) Mr. Hiroataka Fujita concurrently serves as the Representative Director of Minebea Motor Manufacturing Corporation. The company manufactures rotary components and parts, a part of which are purchased and sold by the Company. This company is one of our consolidated subsidiaries of which the Company holds 60% of voting rights.

(2) Mr. Takashi Matsuoka concurrently holds a post as senior managing director of KEIAISHA Co., Ltd. The Company purchases steel and other materials from KEIAISHA Co., Ltd.

(3) There are no conflicts of interest existing between other candidates and the Company.

2 Messrs. Kohshi Murakami and Takashi Matsuoka are candidates for Outside Director of the Company. The Company has filed a notification to financial instruments exchanges explaining that Koshi Murakami is an independent officer, pursuant to the provisions prescribed by those exchanges.

3 .Special notes regarding candidates for outside directors are as follows:

(1) Reason for election of Outside Director

(i) Mr. Kohshi Murakami has a wealth of experience and keen insight as a former Presiding Justice of the Division of the Tokyo High Court and as an attorney. He will provide guidance to ensure the sound management of the Company and promote compliance, therefore, we hereby ask that he be elected as Outside Director of the Company. Mr. Kohshi Murakami has never been involved in corporate management by means other than being outside officer,

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however, we have concluded that he is able to perform the duties of an outside director because of the above reason and since he is currently fulfilling his responsibilities as Outside Director of the Company appropriately.

(ii) Mr. Takashi Matsuoka has profound knowledge regarding corporate operations and we anticipate to reflect such knowledge to the management of the Company, and since he is currently fulfilling his responsibilities as Outside Director of the Company appropriately, we hereby ask that he be elected as Outside Director of the Company.

(2) The number of years since the candidates for our outside directors assumed the office:

(i) Mr. Kohshi Murakami would have been in office for three years at the conclusion of the Meeting since he assumed the post of outside director.

(ii) Mr. Takashi Matsuoka would have been in office for six years at the conclusion of the Meeting since he assumed the post of Outside Director.

(3) Concerning limited liability agreements with Outside Director

The Company executed agreement with Outside Directors for limiting their liabilities under Paragraph 1, Article 423 of the Companies Act so that the Outside Directors may fully perform their roles expected as such. The amount subject to the limitation of liabilities of damages shall be the amount set forth by laws and regulations. If this agenda is approved as drafted, the Company will continue the said liability limitation agreement with Mr. Kohshi Murakami and Mr. Takashi Matsuoka.

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Fourth Proposal:

Election of Three (3) Corporate Auditors

The terms of office of Corporate Auditors, Messrs. Akifumi Kamoi, Kazuaki Tanahashi and Isao Hiraide, will expire, at the conclusion of this General Meeting of Shareholders.

Therefore, it is hereby requested that three (3) Corporate Auditors be elected at this General Meeting of Shareholders.

We have already obtained approval from the Board of Corporate Auditors with respect to this proposal.

The candidate for Corporate Auditor of the Company is as follows:

No.	Name (Date of Birth)	Career Summary and Position at the Company (including significant concurrent positions outside the Company)		Number of shares of the Company held
1	Akifumi Kamoi (January 2, 1951)	Mar. 1969	Joined the Company	4,000
		Jan. 1997	Deputy Quality Control Manager of Bearing Manufacturing Division of Karuizawa Manufacturing Unit	
		Feb. 2004	General Manager of Quality Control Dept., Bearing Division of Karuizawa Manufacturing Unit	
		Mar. 2006	General Manager of Bearing Manufacturing Division of Ball Bearing Business Unit	
		Jun. 2007	Corporate Auditor (Present)	
2	Kazuaki Tanahashi (December 12, 1952)	Apr. 2000	Chief Assistant Director of Corporate Administrative Department of the Sumitomo Trust & Banking Co., Ltd.	3,000
		Apr. 2002	Deputy Manager of Corporate Administrative Department of the Sumitomo Trust & Banking Co., Ltd.	
		Feb. 2004	Deputy Manager of Internal Audit Department (head office) of the Sumitomo Trust & Banking Co., Ltd.	
		Apr. 2006	Manager of Tokyo Chuo Branch of the Sumitomo Trust & Banking Co., Ltd.	
		Jun. 2007	Corporate Auditor (Present)	
3	*Hisayoshi Rikuna (March 5, 1949)	Jul. 2004	Chief, Large Enterprise Examination Division, Large Enterprise Examination and Criminal Investigation Department, Kanto Shinetsu National Tax Office	-
		Jul. 2005	Chief Internal Inspector, Director-General's Secretariat, National Tax Administration, dispatched to the Kanto Shinetsu Region	
		Jul. 2007	Superintendent of Urawa Tax Office	
		Aug. 2008	Hisayoshi Rikuna Tax Accountant Office (Present)	

Notes:

1. Person marked with an asterisk is a candidate for new Corporate Auditor.
2. There are no conflicts of interest existing between the candidates and the Company.
3. Messrs. Kazuaki Tanahashi and Hisayoshi Rikuna are candidates for Outside Corporate Auditors of the Company.
4. Special instructions concerning candidates for Outside Corporate Auditors of the Company shall be as follows:
 - (1) Reason for his election as Outside Corporate Auditor
 - (i) Mr. Kazuaki Tanahashi has been for many years engaged in financial affairs in a commercial bank. The Company would like to reflect his sophisticated knowledge of finance and accounting in its management. Although he has never been involved in corporate management by means other than being outside officer, however, we have concluded that he is able to perform the duties of an outside corporate auditor because of the above reason and since he is currently fulfilling his responsibilities as Outside Corporate Auditor of the Company appropriately.
 - (ii) Mr. Hisayoshi Rikuna is a licensed tax accountant. The Company would like to reflect his professional view and sophisticated knowledge of finance and accounting in its management. Although he has never been involved in corporate management, we have concluded that he is able to perform the duties of an outside corporate auditor because of the above reason.
 - (2) The number of years since the candidate for our Corporate Auditor assumed the office
Mr. Kazuaki Tanahashi would have been in office for 4 years at the conclusion of the Meeting since he assumed the post of Corporate Auditor.
 - (3) Concerning limited liability agreement with Outside Corporate Auditors
The Company executed agreement with Outside Corporate Auditors for limiting their liabilities under Paragraph 1, Article 423 of the Companies Act so that the Outside Corporate Auditors may fully perform their roles expected as such. The amount subject to the limitation of liabilities of damages shall be the amount set forth by laws and regulations. If this agenda is approved as drafted, the Company will continue the said liability limitation agreement with Mr. Kazuaki Tanahashi, and conclude a similar agreement with Mr. Hisayoshi Rikuna.

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Fifth Proposal:

Renewal of Countermeasures to Large-Scale Acquisitions of Minebea Shares (Takeover Defense Measures)

The Company obtained the shareholders' approval regarding countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) (the "Former Plan") by a resolution at the Company's 62nd ordinary general meeting of shareholders held on June 27, 2008. The effective period of the Former Plan is until the conclusion of the Meeting.

Before the expiration of the effective period of the Former Plan, the Board of Directors determined at the meeting held on May 10, 2011 to partially revise the Former Plan and introduce a renewed plan (the introduction is to be referred to as the "Renewal," and the renewed plan is to be referred to as the "Plan") as a measure to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(b)(ii) of the Enforcement Regulations of the Companies Act) under the basic policy regarding the persons who control decisions on the Company's financial and business policies (as provided in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; the "Basic Policy"). The Renewal is subject to approval by the shareholders at the Meeting, and therefore the Company is seeking the shareholders' approval for the Renewal.

1. Reason for Proposal

1.1 Details of the Basic Policy

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who fully understand the details of the Company's financial and business affairs and the source of the Group's corporate value and who will make it possible to continually and persistently ensure and enhance the Group's corporate value and, in turn, the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. Also, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the Group and, in turn, the common interests of its shareholders.

Nonetheless, there are some forms of large-scale acquisitions of shares that benefit neither the corporate value of the target company nor the common interests of its shareholders including without limitation those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders; those that threaten to effectively coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition or for the target company's board of directors to make an alternative proposal and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

In order for the Group to ensure and enhance the corporate value and, in turn, the common interests of its shareholders, it is necessary for the Group to efficiently and continuously implement measures in the mid- to long-term, such as developing new products, cultivating new markets, and revolutionizing production technology, aiming to lead the competition through manufacturing and technological excellence, through worldwide expansion of its vertically integrated manufacturing system, which fully utilizes advanced, ultra-precision machining technology, overseas, large-scale mass production factories, and an enhanced research and development system, which are the source of the Group's corporate value.

Unless the acquirer in a proposed large-scale acquisition of the shares in the Company understands the source of the corporate value and the characteristics that are indispensable to enhance the corporate value of the Group, as well as the details of the financial and business affairs of the Company, and will ensure and realize these elements over the mid- to long-term, the corporate value of the Group and the common interests of its shareholders would be harmed.

Therefore, the Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Group or the common interests of its shareholders would be inappropriate as persons who control decisions on the Company's financial and business policies. The Company believes that it is necessary to ensure the corporate value of the Group and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures for the purpose of deterring acquisitions that are detrimental to the corporate value of the Group and, in turn, the common interests of its shareholders.

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1.2 Purpose of the Renewal of the Plan

The Plan will be renewed in line with the Basic Policy set out in 1.1 above for the purpose of ensuring and enhancing the corporate value of the Group and, in turn, the common interests of its shareholders.

As set out in the Basic Policy, the Board of Directors believes that persons who would propose a large-scale acquisition in a manner that does not contribute to the corporate value of the Group or the common interests of its shareholders would be inappropriate as persons who control decisions on the Company's financial and business policies. The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate, to deter large-scale acquisitions that are detrimental to the corporate value of the Group and, in turn, the common interests of its shareholders, and on the occasion that the Company receives a large-scale acquisition proposal regarding the shares in the Company from an acquirer, to enable the Board of Directors to present an alternative proposal to the shareholders or ensure necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition proposal, and to enable the Board of Directors to negotiate for the benefit of the shareholders.

2. Details of Proposal

2.1 Plan Outline

The Plan sets out procedures necessary to achieve the purpose stated in 1.2 'Purpose of the Renewal of the Plan' above, including requirements for acquirers to provide information in advance in the case that the acquirer intends to make an acquisition of 20% or more of the Company's share certificates or other equity securities. The acquirer may not effect an acquisition until and unless the Board of Directors resolves not to trigger the Plan if the procedures for the Plan have commenced.

In cases such as where an acquirer acquires the Company's share certificates or other equity securities without following the procedures set out in the Plan, in which the corporate value of the Group and the common interests of its shareholders could be harmed, and if the acquisition satisfies the triggering requirements set out in the Plan, the Company will allot stock acquisition rights with (a) an exercise condition that does not allow the acquirer to exercise rights, and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for the Company's shares from persons other than the acquirer by means of a gratis allotment of stock acquisition rights to all shareholders, except the Company, at that time.

If a gratis allotment of stock acquisition rights were to take place in accordance with the Plan and all shareholders other than the acquirer, etc. received shares in the Company as a result of those shareholders exercising or the Company acquiring those stock acquisition rights, the ratio of voting rights in the Company held by the acquirer may be diluted by up to 50%.

Under the Plan, the Company will obtain a determination with respect to matters such as the implementation or non-implementation of the gratis allotment of stock acquisition rights or the acquisition of stock acquisition rights from the independent committee, which is solely composed of outside parties who are independent from the management of the Company, in order to eliminate arbitrary decisions by directors, and ensure the transparency of the procedures by timely disclosure of information to the Company's shareholders.

2.2 Procedures for Triggering the Plan

(a) Targeted Acquisitions

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i) or (ii) below or any similar action (including a proposal for such action) (except for such action as the Board of Directors separately determines not to be subject to the Plan; the "Acquisition") takes place.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariai*) (Note 1) of a holder (*hoyuusha*) (Note 2) totaling at least 20% of the share certificates, etc. (*kabuken tou*) (Note 3) issued by the Company; or
- (ii) A tender offer (*koukai kaitsuke*) (Note 4) that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariai*) (Note 5) and the ownership ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*) (Note 6) totaling at least 20% of the share certificates, etc. (*kabuken tou*) (Note 7) issued by the Company.

The party intending to make the Acquisition (the "Acquirer") shall follow the procedures prescribed in the Plan, and the Acquirer must not effect the Acquisition until and unless the Board of Directors resolves not to

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implement the gratis allotment of Stock Acquisition Rights (defined in (e) (i) below) in accordance with the Plan.

(b) Submission of Acquirer's Statement

The Company will request the Acquirer to submit to the Company in the form separately prescribed by the Company a document that includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (signed by or affixed with the name and seal of the representative of the Acquirer) and a qualification certificate of the person who signed or affixed its name and seal to that document (collectively, "Acquirer's Statement") before commencing or effecting the Acquisition. The Acquirer's Statement must include the name, address or location of headquarters, location of offices, governing law for establishment, name of the representative, contact information in Japan for the Acquirer and outline of the intended Acquisition. The Acquirer's Statement and the Acquisition Document set out in (c) below must be written in Japanese.

(c) Request to the Acquirer for the Provision of Information

The Company will provide the Acquirer the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than 10 business days after receiving the Acquirer's Statement. The Acquirer must provide the Board of Directors with the document in the form provided by the Company (the "Acquisition Document"), which includes the information described in each item of the list below ("Essential Information").

If the Board of Directors receives the Acquisition Document, it will promptly send it to the Independent Committee (see Note 8 for standards for appointing members, requirements for resolutions, resolution matters, and other matters concerning the Independent Committee; business backgrounds and other matters regarding members of the Independent Committee at the time of the Renewal are as described in the Attachment 'Profiles of the Members of the Independent Committee'). If the Board of Directors and the Independent Committee determine that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period and request that the Acquirer provide additional information either directly or indirectly. In this case, the Acquirer must submit such additional information to both the Board of Directors and the Independent Committee within the reply period.

- (i) Details (including name, capital relationship, financial position, operation results, details of violation of laws or ordinances in the past (if any), and terms of any previous transactions which are similar to the Acquisition or involving the share certificates, etc. of the Company) of the Acquirer and its group (including joint holders, (Note 9) persons having a special relationship and persons having a special relationship with a person in relation to whom the Acquirer is the controlled corporation (Note 10)) (Note 11).
- (ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timeframe, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
- (iii) The amount and basis for the calculation of the purchase price of the Acquisition.
- (iv) Financial support for the Acquisition (including the names of providers of funds (including all indirect providers of funds) for the Acquisition, financing methods and the terms of any related transactions, etc.).
- (v) Details of communications regarding the Acquisition with a third party (if any).
- (vi) Post-Acquisition management policy, administrative organization, business plan, and capital, and dividend policies for the Group.
- (vii) Post-Acquisition policies for the Company's shareholders (other than the Acquirer), employees, business partners, and clients of the Group, and other stakeholders of the Company.
- (viii) Specific measures to avoid any conflict of interest with other shareholders in the Company if such conflict of interest were to arise.
- (ix) Any other information that the Independent Committee reasonably considers necessary.

(d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

(i) Request to the Board of Directors for the Provision of Information

If the Acquirer submits the Acquisition Document and any additional information that the Independent Committee requests, the Independent Committee may set a reply period as appropriate and request that the Board of Directors present an opinion (including an opinion to refrain from giving such opinion; hereinafter

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the same) on the Acquirer's Acquisition terms, materials supporting such opinion, an alternative proposal (if any), and any other information that the Independent Committee considers necessary.

(ii) Independent Committee Consideration

If the Independent Committee deems that the information (including the information additionally requested) provided by the Acquirer is sufficient, it will conduct its consideration of the Acquisition terms, collection of information such as the business plans of the Acquirer and the Board of Directors and comparison thereof, and consideration of any alternative plan presented by the Board of Directors, and the like for a period of 90 days as a general rule after the receipt of the information (the "Independent Committee Consideration Period"). Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Group and, in turn, the common interests of its shareholders, the Independent Committee will directly or indirectly discuss and negotiate with the Acquirer or present the alternative plan from the Board of Directors to the Company's shareholders, etc. or conduct similar actions.

In order to ensure that the Independent Committee's decision contributes to the Group's corporate value and, in turn, the common interests of its shareholders, the Independent Committee may, at the cost of the Company, obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, tax accountants, consultants or any other experts). If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

(e) Procedures for Recommendations by the Independent Committee

The Independent Committee will make recommendations to the Board of Directors as follows based on the abovementioned procedures.

(i) Recommendation for the Triggering of the Plan

If the Independent Committee determines that the Acquisition by the Acquirer falls under any of the trigger events set out below in 2.3, 'Requirements for the Gratis Allotment of Stock Acquisition Rights,' (collectively, "Trigger Events") the Independent Committee will recommend the implementation of the gratis allotment of stock acquisition rights (as detailed in 2.4 'Outline of the Gratis Allotment of Stock Acquisition Rights') to the Board of Directors except in any specific case where further provision of information by the Acquirer or discussion or negotiation with the Acquirer is necessary (Note 12).

However, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that either of the events in (A) or (B) below applies, it may make a new recommendation that (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) the Company should cancel the gratis allotment of Stock Acquisition Rights, or (ii) (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights) the Company will acquire the Stock Acquisition Rights for no consideration.

(A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.

(B) There is no longer any Trigger Event due to a change or the like in the facts or other matters on which the recommendation decision was made.

(ii) Recommendation for the Non-Triggering of the Plan

If the Independent Committee determines the Acquisition by the Acquirer does not fall under either of the Trigger Events, the Independent Committee will recommend the non-implementation of the gratis allotment of Stock Acquisition Rights to the Board of Directors, regardless of whether the Independent Committee Consideration Period has ended.

However, even after the Independent Committee has already made one recommendation for the non-implementation of the gratis allotment of Stock Acquisition Rights, if there is a change in the facts or other matters on which the recommendation decision was made and Trigger Events arise, the Independent Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

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(iii) Extension of the Independent Committee Consideration Period

If the Independent Committee does not reach a recommendation for either the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights by the expiration of the initial Independent Committee Consideration Period, the Independent Committee may, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer's Acquisition, consideration of an alternative proposal and discussion and negotiation with the Acquirer, extend the Independent Committee Consideration Period (in principle up to 30 days in total). If the Independent Committee Consideration Period is extended, the Independent Committee will continue to collect information, deliberate, discuss, negotiate and perform similar activities, and use its best efforts to make a recommendation for the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights within the extended period.

(f) Resolutions by the Board of Directors

The Board of Directors, in exercising their role as an organization under the Companies Act, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights respecting to the maximum extent any recommendation of the Independent Committee described above.

(g) Information Disclosure

When operating the Plan, the Company will disclose, in a timely manner, information on the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and Acquisition Document have been submitted, the fact that an Acquirer who intends to effect the Acquisition without submitting the Acquirer's Statement or Acquisition Document emerges, the fact the Independent Committee Consideration Period has commenced, and the fact that the Independent Committee Consideration Period has been extended, as well as the extended period and the reason for the extension), an outline of recommendations made by the Independent Committee, an outline of resolutions by the Board of Directors, and other matters that the Independent Committee or the Board of Directors considers appropriate, in accordance with the applicable laws and ordinances or the applicable regulations and rules of the financial instruments exchange.

2.3 Requirements for the Gratis Allotment of Stock Acquisition Rights

The requirements to trigger the Plan to implement a gratis allotment of Stock Acquisition Rights are as follows. As described above in (e) of 2.2, 'Procedures for Triggering the Plan,' the Board of Directors will make a determination as to whether any of the following requirements applies to an Acquisition for which the determination by the Independent Committee is required to be obtained.

Trigger Event (1)

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and information necessary to consider the details of the Acquisition is not offered) and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

Trigger Event (2)

The Acquisition falls under any of the items below and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

- (a) An Acquisition that threatens to cause obvious harm to the corporate value of the Group and, in turn, the common interests of its shareholders through any of the following actions:
 - (i) A buyout of share certificates, etc. to require such share certificates, etc. to be compulsorily purchased by the Company or the Company's affiliates or other related parties at a high price.
 - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Group's management for the low-cost acquisition of the Group's material assets.
 - (iii) Diversion of the Group's assets to secure or repay debts of the Acquirer or its group company.
 - (iv) Temporary control of the Company's management to bring about the disposal of high-value assets that have no current relevance to the Group's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (b) Certain Acquisitions that threaten to effectively coerce shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).

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- (c) Acquisitions to which the terms (including the amount and type of consideration, timeframe of the Acquisition, legality of the Acquisition method, feasibility of the Acquisition being effected, post-Acquisition management policy and business plan, and policies dealing with the Group's other shareholders, employees, clients, business partners, and other stakeholders of the Group after the Acquisition) are inadequate or inappropriate in light of the Group's intrinsic value.
- (d) Acquisitions that materially threaten to oppose the corporate value of the Group or the common interests of shareholders, by damaging technological abilities and production capacity, and relationships with the Group's employees, clients, and business partners, which are indispensable to the generation of the Group's corporate value.

2.4 Outline of the Gratis Allotment of Stock Acquisition Rights

Following is an outline of the gratis allotment of Stock Acquisition Rights scheduled to be implemented under the Plan.

- (a) **Number of Stock Acquisition Rights**
The number of Stock Acquisition Rights to be allotted upon implementation of a gratis allotment of Stock Acquisition Rights is the same as the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the "Allotment Date") that is separately determined in a resolution by the Board of Directors relating to the gratis allotment of Stock Acquisition Rights (the "Gratis Allotment Resolution").
- (b) **Shareholders Eligible for Allotment**
The Company will allot the Stock Acquisition Rights to shareholders, other than the Company, who are recorded in the Company's most recent register of shareholders on the Allotment Date (the "Entitled Shareholders"), at a ratio of one Stock Acquisition Right for each share in the Company held.
- (c) **Effective Date of Gratis Allotment of Stock Acquisition Rights**
The effective date of the gratis allotment of Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.
- (d) **Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights**
The number of shares in the Company to be acquired upon exercise of each Stock Acquisition Right (the "Applicable Number of Shares") shall, in principle, be one share.
- (e) **Amount to be Contributed upon Exercise of Stock Acquisition Rights**
Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will, in principle, be ¥1.
- (f) **Exercise Period of the Stock Acquisition Rights**
The commencement date of the exercise period will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period shall be referred to as the "Exercise Period Commencement Date"), and the period will, in principle, be a period from one month to six months long as separately determined in the Gratis Allotment Resolution.
- (g) **Conditions for Exercise of Stock Acquisition Rights**
Except where any exceptional event (Note 13) occurs, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below shall collectively be referred to as "Non-Qualified Parties"):
 - (I) Specified Large Holders; (Note 14)
 - (II) Joint holders of Specified Large Holders;
 - (III) Specified Large Purchasers; (Note 15)
 - (IV) Persons having a special relationship with Specified Large Purchasers;
 - (V) Any transferee of, or successor to, the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Board of Directors; or
 - (VI) Any Affiliated Party (Note 16) of any party falling under (I) through (V).

(Translation)

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that the Stock Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company as set out in (ii) of paragraph (i), ‘Acquisition of Stock Acquisition Rights by the Company’ below, subject to compliance with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in the form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants, may not exercise the Stock Acquisition Rights.

- (h) **Restriction on Assignment of Stock Acquisition Rights**
Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Board of Directors.
- (i) **Acquisition of Stock Acquisition Rights by the Company**
- (i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Board of Directors deems that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a day separately determined by the Board of Directors, acquire all of the Stock Acquisition Rights for no consideration.
- (ii) On a date separately determined by the Board of Directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised before or on the day immediately prior to such date determined by the Board of Directors, that are held by parties other than Non-Qualified Parties (if any) and, in exchange, deliver shares in the Company in the number equivalent to the Applicable Number of Shares for each Stock Acquisition Right. If, on or after the date upon which the acquisition takes place, the Board of Directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may, on a date determined by the Board of Directors that falls after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that party that have not been exercised by or on the day immediately prior to such date determined by the Board of Directors (if any) and, in exchange, deliver shares in the Company in the number equivalent to the Applicable Number of Shares for each Stock Acquisition Right. The same will apply thereafter.
- (j) **Delivery of Stock Acquisition Rights in Case of Merger, Absorption-type Demerger (*kyushu bunkatsu*), Incorporation-type Demerger (*shinsetsu bunkatsu*), Share Exchange (*kabushiki koukan*), and Share Transfer (*kabushiki iten*)**
These matters will be separately determined in the Gratis Allotment Resolution.
- (k) **Issuance of Certificates Representing the Stock Acquisition Rights**
Certificates representing the Stock Acquisition Rights will not be issued.
- (l) **Other**
In addition, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

2.5 Effective Period, and Abolition, Revision or Amendment of the Plan

The effective period of the Plan (the “Effective Period”) will be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the conclusion of the Meeting. However, if, before the expiration of the Effective Period, the Company’s shareholders or Board of Directors resolves to abolish the Plan, the Plan will be abolished at that time.

Further, the Board of Directors may revise or amend the Plan even during the Effective Period of the Plan, in cases where the revision or amendment is not contrary to the purpose of the resolution of the Meeting such as cases where any law, ordinance, or rule of a financial instruments exchange or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition in the Plan, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, and cases where the revision or amendment does not cause any disadvantage to the Company’s shareholders, and subject to the approval of the Independent Committee.

If the Plan is abolished, revised or amended, the Company will promptly disclose the fact that such abolition, revision or amendment has taken place, and (in the event of a revision or amendment) the details of the revision, amendment and any other matters.

(Translation)

2.6 Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of May 10, 2011. If it becomes necessary after such date to revise the terms and conditions or definitions of terms set out in the paragraphs above due to the establishment, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such establishment, amendment or abolishment.

Notes:

- (Note 1) Defined in Article 27-23.4 of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal
- (Note 2) Including persons described as a holder under Article 27-23.3 of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors). The same is applied throughout this Proposal.
- (Note 3) Defined in Article 27-23.1 of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal unless otherwise provided for.
- (Note 4) Defined in Article 27-2.6 of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal.
- (Note 5) Defined in Article 27-2.8 of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal.
- (Note 6) Defined in Article 27-2.7 of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors); provided, however, that persons provided for in Article 3.2 of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2.7(i) of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal.
- (Note 7) Defined in Article 27-2.1 of the Financial Instruments and Exchange Act.
- (Note 8) Following is the outline of the rules of the Independent Committee:
- There shall be no less than three members of the Independent Committee, and the Board of Directors shall elect the members from (i) outside directors of the Company, (ii) outside corporate auditors of the Company and (iii) other outside experts who are independent from the management that executes the business of the Company. However, such experts must be experienced corporate managers, former government employees, parties with knowledge of the investment banking industry, lawyers, certified public accountants, researchers whose research focuses on the Companies Act or the like, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Board of Directors that contains a provision obligating them to exercise the duty of care of a good manager or similar provision.
 - Unless otherwise determined by a resolution of the Board of Directors, the term of office of members of the Independent Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the final fiscal year ending within three years after the conclusion of the Meeting. However, the term of office of any member of the Independent Committee who is an outside director or outside corporate auditor shall end at the same time they cease to be a director or corporate auditor (except in the case of their re-appointment).
 - The Independent Committee shall make decisions on the matters listed below.
 - (a) The implementation or non-implementation of the gratis allotment of Stock Acquisition Rights.
 - (b) The cancellation of the gratis allotment of Stock Acquisition Rights or the gratis acquisition of Stock Acquisition Rights.
 - (c) Any other matters that are for determination by the Board of Directors in respect to which it has consulted the Independent Committee.
 - (d) Any other prescribed matters.
 - As a general rule, resolutions of meetings of the Independent Committee shall pass with a majority when all of the members of the Independent Committee are in attendance (including attendance via video conference or telephone conference; hereinafter the same). However, in

(Translation)

unavoidable circumstances a resolution may pass with a majority of voting rights when a majority of the members of the Independent Committee are in attendance.

- (Note 9) Defined in Article 27-23.5 of the Financial Instruments and Exchange Act, including persons regarded as a joint holder under Article 27-23.6 of the Financial Instruments and Exchange Act (including persons who are deemed a joint holder by the Board of Directors). The same is applied throughout this Proposal.
- (Note 10) Defined in Article 9.5 of Enforcement Regulation for the Financial Instruments and Exchange Act.
- (Note 11) If an Acquirer is a fund, information relating to the matters described in 2.2(c) (i) about each partner and other constituent members is required.
- (Note 12) The Independent Committee may recommend implementation of the gratis allotment of Stock Acquisition Rights subject to confirming the shareholders' intent in advance.
- (Note 13) Specifically, the Company intends to set out that an "exceptional event" means when (x) the Acquirer cancels or revokes the Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties dispose of their shares in the Company through a securities firm appointed and authorized by the Company to do so, and (y) the Acquirer's shareholding ratio determined by the Board of Directors (when calculating the shareholding ratio, Non-Qualified Parties other than the Acquirer and its joint holders are deemed to be the Acquirer's joint holders, and Stock Acquisition Rights held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) (the "Non-Qualified Parties' Shareholding Ratio") falls below the lower of (i) the Non-Qualified Parties' Shareholding Ratio before the Acquisition, or (ii) 20%, the Acquirer or other Non-Qualified Parties making the disposal may exercise Stock Acquisition Rights to the extent that the number of shares to be issued or delivered upon exercise of the Stock Acquisition Rights is up to the number of shares disposed of and to the extent of the ratio under either (i) or (ii) above. Detailed conditions and procedures for exercise of Stock Acquisition Rights by Non-Qualified Parties will be determined separately by the Board of Directors.
- (Note 14) "Specified Large Holder" means, in principle, a party who is a holder of share certificates, etc. issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed applicable to the above by the Board of Directors); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc. of the Company is not contrary to the Company's corporate value or the common interests of shareholders or a certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this Proposal.
- (Note 15) "Specified Large Purchaser" means, in principle, a person who makes a public announcement of purchase, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same is applied throughout this Note 15) of share certificates, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same is applied throughout this Note 15) issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc. in respect of such share certificates, etc. owned by such person after such purchase, etc. (including similar ownership as prescribed in Article 7.1 of the Order of the Enforcement of the Financial Instruments and Exchange Act) is at least 20% when combined with the ratio of ownership of share certificates, etc. of a person having a special relationship (including any party who is deemed to fall under the above by the Board of Directors); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc. of the Company is not contrary to the Company's corporate value or the common interests of shareholders or certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same is applied throughout this Proposal.
- (Note 16) An "Affiliated Party" of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Board of Directors), or a party deemed by the Board of Directors to act in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3.3 of the Enforcement Regulations of the Companies Act) of other corporations or entities.

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Profiles of the Members of the Independent Committee

Kohshi Murakami

Date of Birth	February 8, 1940		
Background	Apr.	1967	Appointed as assistant judge, Tokyo District Court
	Apr.	1999	Appointed as Presiding Justice of the Division, Tokyo High Court
	Apr.	2005	Employed as Professor, Graduate School of Law, Kyoto University
	Jun.	2005	Joined TMI Associates as Special Counsel (Present)
	Nov.	2005	Appointed as Outside Corporate Auditor of SANEI-INTERNATIONAL CO., LTD.
	Apr.	2008	Employed as Visiting Professor, Graduate School, Yokohama National University
	May	2008	Appointed as Member of the Independent Committee of the Company (Present)
	Jun.	2008	Appointed as Outside Director of the Company (Present)
	Apr.	2010	Employed as Professor, Juris Doctor Program (Law School), Daito Bunka University (Present)

** As set out in the Third Proposal "Election of Ten (10) Directors" (on pages 49 to 52 of the Convocation Notice), Mr. Murakami is a candidate for an outside director. Mr. Murakami does not have any special interest in the Company. The Company notified the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange that Mr. Murakami is an independent director of the Company.*

Hirotaka Fujiwara

Date of Birth	May 21, 1954		
Background	Apr.	1985	Joined Iijima Yamada Law and Patent Office
	Apr.	1995	Established Hikari Sogoh Law Offices (Partner) (Present)
	Apr.	2006	Elected as Vice President of Daini Tokyo Bar Association
	Jun.	2006	Appointed as Outside Corporate Auditor of the Company (Present)
	Sep.	2007	Employed as Lecturer, Graduate School of Law, Keio University (Present)
	May	2008	Appointed as Member of the Independent Committee of the Company (Present)

** Mr. Fujiwara is an outside corporate auditor. Mr. Fujiwara does not have any special interest in the Company. The Company notified the Tokyo Stock Exchange, the Osaka Securities Exchange and the Nagoya Stock Exchange that Mr. Fujiwara is an independent auditor of the Company.*

Takehiko Nagasaki

Date of Birth	May 31, 1943		
Background	Jan.	1969	Joined Tokyo Daiichi Certified Public Accountant Office
	Aug.	1971	Registered as certified public accountant
	Jul.	1988	Joined Showa Ota & Co.
	May	1989	Became Partner at Showa Ota & Co.
	Apr.	2000	Appointed as Executive Director of Century Ota Showa & Co. (current Ernst & Young ShinNihon LLC)
	May	2006	Appointed as Vice CEO at Century Ota Showa & Co.
	Aug.	2008	Appointed as Senior Advisor at Century Ota Showa & Co.
	Jun.	2009	Appointed as Outside Corporate Auditor of SAN-AI OIL Co., Ltd. (Present)
	Jul.	2009	Established and became Partner at Takehiko Nagasaki Certified Public Accountant Office (Present)
	Sep.	2009	Appointed as Member of the Independent Committee of the Company (Present)
	Apr.	2010	Appointed as Auditor of National Cancer Center (present)
			Appointed as Auditor of National Center of Neurology and Psychiatry (Present)

** Mr. Nagasaki does not have any special interest in the Company.*

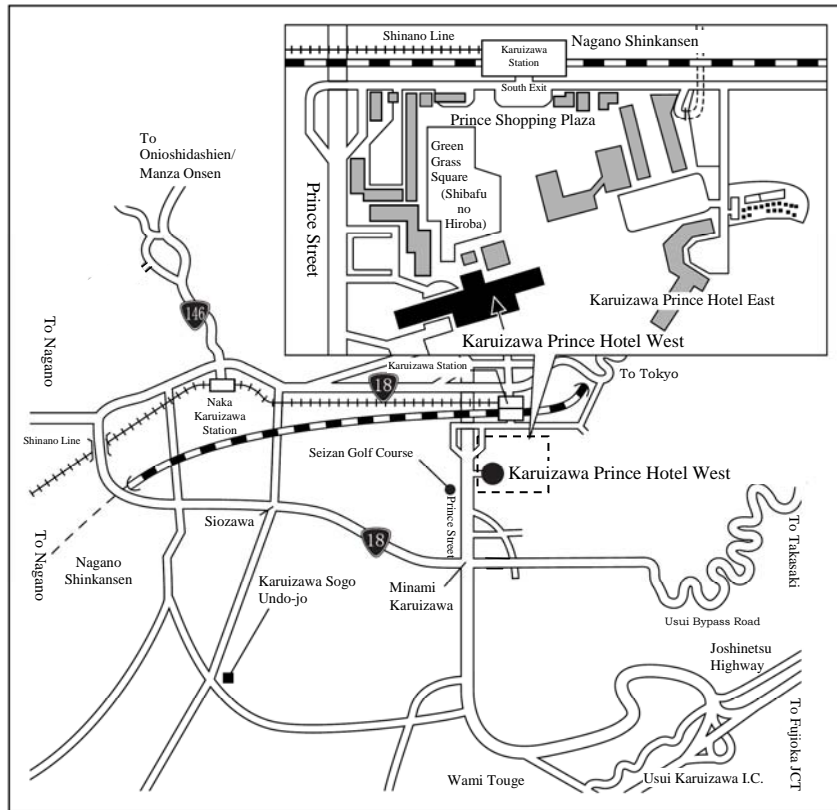
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(Translation)

ROUTE MAP

Place: Convention Hall Asama
Karuzawa Prince Hotel West
Karuzawa, Karuzawa-machi, Kitasaku-gun, Nagano
Telephone: 0267-42-1111

Access: Automobile/Joshinetsu Highway From the Usui-Karuzawa I.C., approx. 11km to the Karuzawa Prince Hotel West
Nagano Shinkansen From JR Karuzawa Station South Exit, approx. 15 minutes walking or approx. 2 minutes by taxi



[Transportation from JR Karuzawa Station to the Location of the General Meeting of Shareholders]

A chartered bus will depart from the South Exit of JR Karuzawa Station for the location of the General Meeting of Shareholders at the following times.

From JR Karuzawa Station South Exit	9:20 am
	9:40 am