

To Our Shareholders

65th Business Year Semiannual Business Report

April 1, 2010 ▶ September 30, 2010

Minebea

Minebea Co., Ltd.

Business Summary

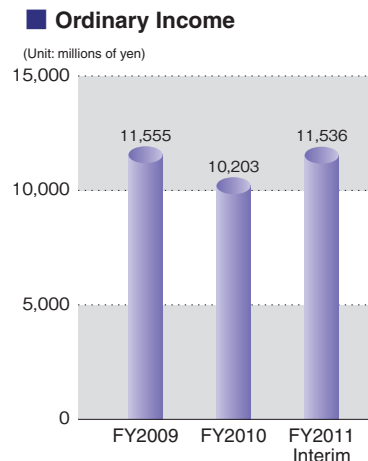
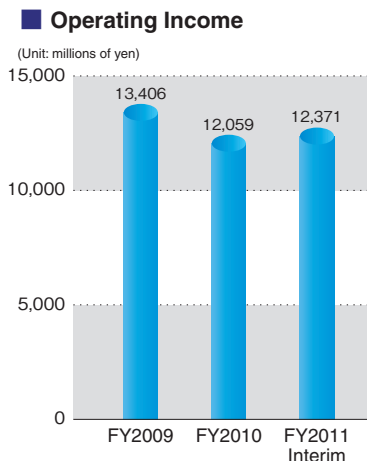
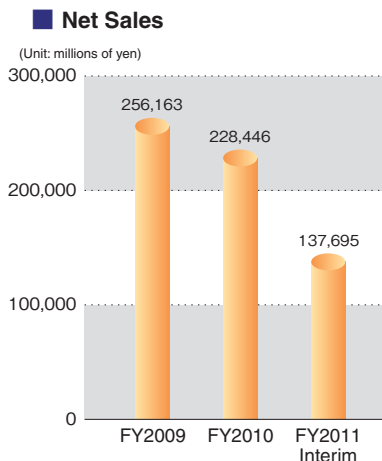
As the 65th Semiannual Business Year (April 1, 2010 - September 30, 2010) has ended, we would like to report our business summary.

■ Overview of the interim term

During the current interim term, the Japanese economy saw a moderate recovery due to an improvement in corporate earnings and an increase in exports, although the employment environment remained severe. Despite slow personal consumption due to the continued high unemployment, the U.S. economy also continued a moderate recovery, such as improved corporate earnings, helped by the recovery of overseas economies. In Europe, the economies tended to turn around as a whole, although they differed greatly from one country to another. On the other hand, 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 ¥28,427 million (26.0%) compared with a year ago, to ¥137,695 million, operating income increased ¥10,256 million (484.8%) compared with a year ago, to ¥12,371 million, and ordinary income substantially increased ¥10,507 million compared with a year ago, to ¥11,536 million. Net income also substantially increased ¥7,681 million compared with a year ago, to ¥7,317 million.



■ Outlook for the current fiscal year

Despite the fact that the outlook for the global economy is uncertain, the Company has no plan to significantly revise its original earnings forecasts for the third quarter of the year and beyond. However, reflecting that earnings in the first half of the year were comparatively strong, the Company revises its full-year earnings forecasts as follows.

Net sales	¥274,000 million (+3.4% / +19.9%)
Operating income	¥25,000 million (+6.4% / +107.3%)
Ordinary income	¥23,100 million (+7.4% / +126.4%)
Net income	¥13,500 million (+8.0% / +102.6%)
(Change from original earnings forecast / Change from previous fiscal year)	

The interim dividends will be ¥3 per share.

The Company plans to pay a ¥7 per share annual dividend (¥3 for interim dividends and ¥4 for fiscal year-end dividend).

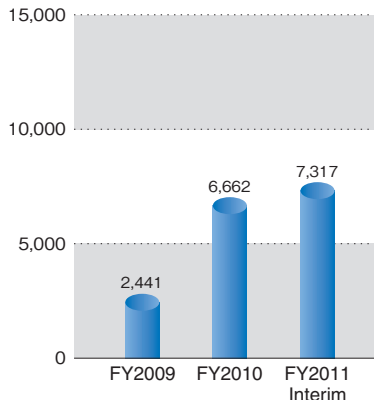
We look forward to your continuous support and guidance.



Yoshihisa Kainuma
 Representative Director
 December 2010

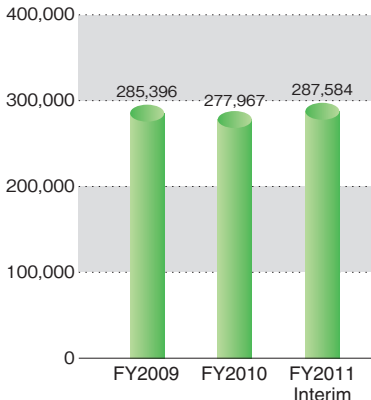
■ Net Income

(Unit: millions of yen)



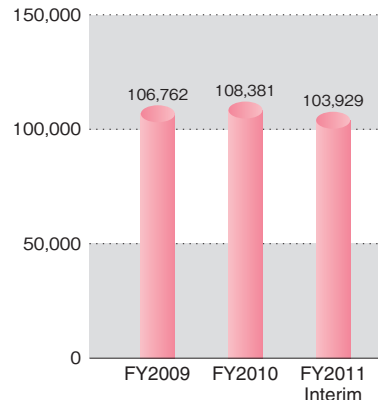
■ Total Assets

(Unit: millions of yen)



■ Net Assets

(Unit: millions of yen)



Overview by Business Segment

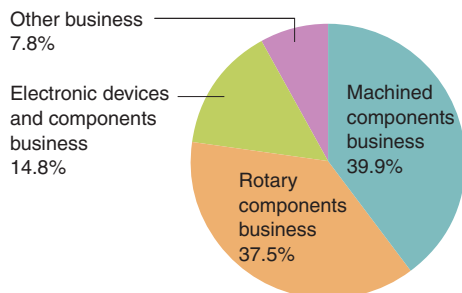
Machined Components Business

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, one of our mainstay products, increased owing to the improved market conditions. Sales of pivot assemblies also increased, owing to solid performance in the hard disc industry, which is our sale destination. As a result, net sales were ¥54,962 million. Under these circumstances, operating income was ¥14,411 million, as a result of striving to continuously lower costs by pursuing 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, vibration motors and DC motors), HDD spindle motors and other precision motors. Sales of information motors and other precision motors increased due to the improved market conditions. 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. As a result, net sales were ¥51,597 million. Due to progress in cost reduction efforts mainly in information motors and a significant earnings improvement in HDD spindle motors, operating income improved largely to ¥274 million.

Net Sales Composition



Electronic Devices and Components Business

Our core products in the Electronic devices and components Business are LCD backlights, inverters and measuring instruments. Due to the improved market environment and active sales expansion efforts, sales of LCD backlights in particular increased significantly. As a result, net sales were ¥20,360 million. Operating income was ¥2,805 million.

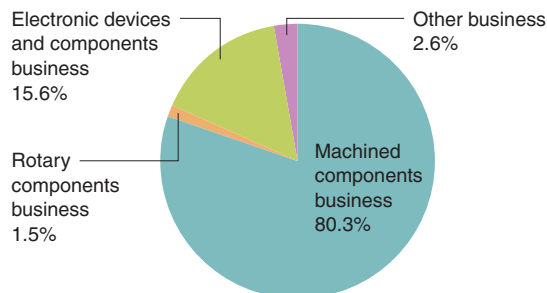
Other Business

Our main products in the other businesses are PC keyboards, speakers and defense related special components. Net sales were ¥10,774 million. Operating income was ¥458 million.

Notes:

1. As a result of having made a change to its segment classification in the first quarter, the Company has no presentation of year-on-year amount comparisons for each segment.
2. Other than the above, in the operating income on the consolidated statements of income, ¥5,578 million of corporate expenses, etc. not belonging to each segment is included as adjustments.

Operating Income Composition

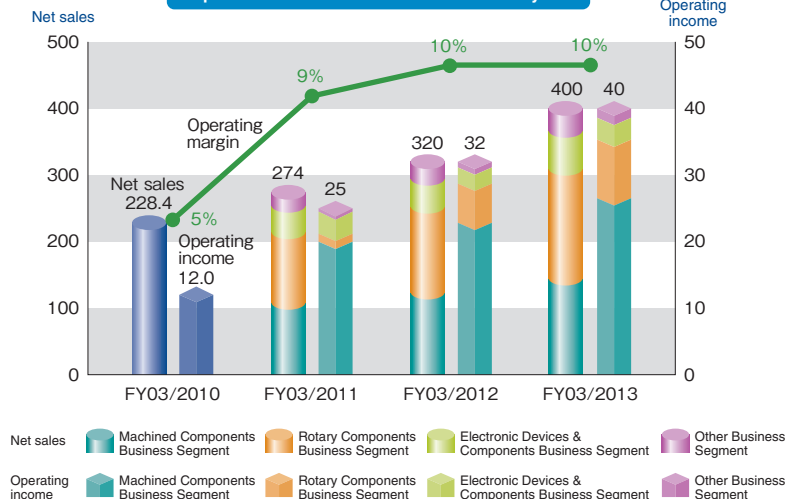


Striving for sustainable growth

Performance Goal for Medium-term Business Plan

(Billions of yen)

Capital investment: Total of ¥93 billion in 3 years



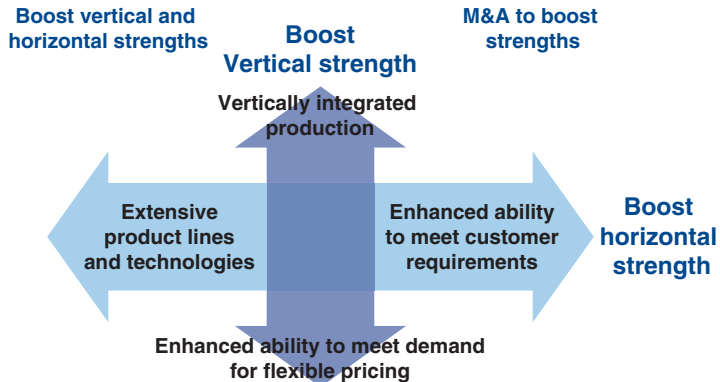
The newly formulated three-year medium-term business plan specifies the goals for the fiscal year ending March 31, 2013, including net sales of ¥400 billion and operating income of ¥40 billion. We will work to ensure an operating margin of 9% in the first year, and 10% in the subsequent two years with net sales to be increased by at least 10% every year.

The current global economy is on a path towards recovery from the recession sparked by the financial crisis. However, the degree of this recovery remains unclear leaving us unable to predict. In light of these circumstances, we assume in the medium-term business plan that the post-Lehman Shock global economy will recover to 80% capacity in the first year (ending March 31, 2011), 90% in the second year (ending March 31, 2012) and return to full capacity in the third year (ending March 31, 2013).

Aggressive capital investment with an eye on the future is necessary to carry out this medium-term business plan, which aims "toward profit recovery and expansion"—In this regard, we look to make an investment of ¥93 billion over the next three years. Core projects in this plan include the construction of new manufacturing facilities for ball bearings and pivot assemblies. In addition, preparations are underway for the construction of new manufacturing facilities for lighting devices and motors.

Through these measures, we will attain the goals of the medium-term business plan by reinforcing our two strengths: The vertically integrated production method (vertical strength), and the hybrid component business based on the collaboration of different businesses (horizontal strength).

Ongoing Policy



President Kainuma Becomes Honorary Investment Advisor for the Board of Investment of Thailand



President Kainuma (left) receives his Honorary Investment Advisor credentials from Minister of Industry Chaiwut Bannawat (right)

In June 2010, President Kainuma was made Honorary Investment Advisor by the Board of Investment of Thailand (BOI), a governmental organization with the authority to provide incentives to spur investments in Thailand.

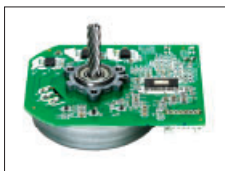
The Minebea Group has been continuously increasing the number of hubs in Thailand ever since the establishment of our Ayutthaya Plant in 1982. Minebea recognizes the increasing importance of that country as the current medium-term business plan calls for tentative investments of some ¥35 billion such as for the construction of new ball bearing and pivot assembly factories, among others.

The maintenance and growth of Thailand's strong economic base is essential to our business and, as BOI Honorary Investment Advisor, President Kainuma will provide valuable recommendations on how to promote investing by Japanese companies and do his utmost to contribute to the sustainable growth and development of Thailand's economy.

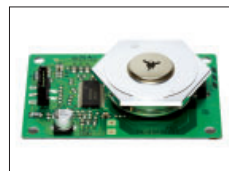
Minebea Acquires Brushless Motor Business from Panasonic Corporation

On April 1, 2010, our subsidiary Minebea Motor Manufacturing Corporation completed the acquisition of Panasonic Corporation's brushless motor business. The brushless motor market is expected to grow with new demands created in the areas of digital consumer electronic, in-vehicle equipment, office automation equipment, high-performance game machines, and information terminals. Although the current emergence

of overseas manufacturers is resulting in intensifying competition, with this business acquisition, we aim to integrate and further develop the brushless DC motor technology which has been cultivated by Panasonic Corporation for many years.



Power Brushless Motor



Polygon Mirror Scanner Motor



Small Brushless Motor

Total Acquisition of Shares of High-Precision Plastic Gear Mold Manufacturer Daiichi Seimitsu Sangyo Co., Ltd.



Head Office (Ota-ku, Tokyo)



Precision Molding Die

In August 2010, Minebea acquired all the shares of Daiichi Seimitsu Sangyo Co., Ltd., a manufacturer of precision molds for plastic gear, from a private equity fund managed by Nippon Mirai Capital Co., Ltd.

Daiichi Seimitsu Sangyo Co., Ltd. possesses advanced technical capabilities in the design and production of high-precision molds. Its mold production technology, centering around small-sized high-precision plastic gears and short delivery time through its integrated production system, will contribute to further strengthen Minebea's vertically integrated manufacturing system. Minebea's

global production support network for mold design and production will be strengthened and expanded by the addition of Daiichi Seimitsu Sangyo Co., Ltd.'s factories in Ota-ku, Tokyo, Japan and Dongguan, Guangdong, China.

Consolidated Financial Statements

● Consolidated Balance Sheets (unit: millions of yen)

Assets	Fiscal year 2010 Interim (as of September 30, 2009)	Fiscal year 2011 Interim (as of September 30, 2010)	Fiscal year 2010 (as of March 31, 2010)
Current assets	119,481	142,878	130,004
Cash and cash equivalents	26,042	26,282	26,507
Notes and accounts receivable	47,174	59,663	52,184
Marketable securities	861	514	857
Finished goods	12,312	14,291	11,718
Work in process	9,939	11,574	11,036
Raw materials	6,336	8,334	6,728
Supplies	2,840	3,450	2,849
Goods in transit	3,254	4,077	3,579
Deferred tax assets	3,212	4,664	5,779
Others	7,655	10,150	8,894
Allowance for doubtful receivables	(149)	(125)	(129)
Fixed assets	152,059	144,706	147,963
Tangible fixed assets	124,193	122,050	124,227
Intangible fixed assets	10,913	8,422	9,671
Investments and other assets	16,952	14,233	14,063
Total assets	271,541	287,584	277,967

Liabilities	Fiscal year 2010 Interim (as of September 30, 2009)	Fiscal year 2011 Interim (as of September 30, 2010)	Fiscal year 2010 (as of March 31, 2010)
Current liabilities	107,470	113,224	102,961
Notes and accounts payable	13,154	22,236	16,464
Short-term loans payable	50,680	51,212	51,655
Current portion of long-term loans payable	22,100	4,632	3,100
Current portion of bonds	—	10,000	10,000
Lease obligations	678	412	471
Accrued income taxes	684	1,966	1,830
Accrued bonuses	4,942	5,887	3,700
Allowance for bonuses to directors	—	60	24
Allowance for after-care of products	—	469	300
Allowance for environmental remediation expenses	211	178	220
Allowance for business restructuring losses	56	38	113
Others	14,961	16,129	15,080
Long-term liabilities	65,973	70,430	66,625
Bonds	21,500	11,500	11,500
Long-term loans payable	35,350	51,358	47,144
Lease obligations	762	484	492
Allowance for retirement benefits	5,253	4,761	4,807
Allowance for retirement benefits to executive officers	113	146	129
Allowance for environmental remediation expenses	860	762	854
Allowance for business restructuring losses	275	—	—
Others	1,858	1,417	1,697
Total liabilities	173,444	183,655	169,586
Net Assets			
Shareholders' equity	179,487	188,471	182,604
Common stock	68,258	68,258	68,258
Capital surplus	94,756	94,793	94,767
Retained earnings	19,729	31,845	26,149
Treasury stock	(3,257)	(6,426)	(6,571)
Revaluation / Translation differences	(82,486)	(86,054)	(75,708)
Difference on revaluation of available-for-sale securities	(37)	(549)	91
Deferred gains or losses on hedges	(4)	(4)	7
Foreign currency translation adjustments	(82,443)	(85,500)	(75,808)
Minority interests in consolidated subsidiaries	1,095	1,512	1,485
Total net assets	98,096	103,929	108,381
Total liabilities and net assets	271,541	287,584	277,967

Note: Amounts less than one million yen have been omitted.

● Consolidated Statements of Income (unit: millions of yen)

	Fiscal year 2010 Interim (Apr. 2009 thru Sept. 2009)	Fiscal year 2011 Interim (Apr. 2010 thru Sept. 2010)	Fiscal year 2010 (Apr. 2009 thru Mar. 2010)
Net sales	109,268	137,695	228,446
Cost of sales	86,711	102,075	175,285
Gross profit	22,556	35,620	53,160
Selling, general and administrative expenses	20,440	23,248	41,100
Operating income	2,115	12,371	12,059
Other income	335	346	681
Interest income	99	104	206
Dividends income	48	71	98
Equity in net income of affiliate	3	4	—
Others	184	166	377
Other expenses	1,421	1,181	2,537
Interest expenses	1,017	884	1,897
Foreign currency exchange loss	199	179	216
Equity in net loss of affiliate	—	—	7
Others	205	117	415
Ordinary income	1,029	11,536	10,203
Extraordinary income	48	11	194
Gain on sales of fixed assets	9	11	39
Gain on sales of investments in securities	—	—	32
Reversal of allowance for doubtful receivables	3	—	8
Reversal of special severance payments	—	—	79
Insurance claim	35	—	35
Extraordinary loss	348	444	1,136
Loss on disposal of inventories	33	—	108
Loss on sales of fixed assets	24	6	39
Loss on disposal of fixed assets	61	75	212
Impairment loss	17	17	31
Loss on sales of stocks of subsidiaries and affiliates	—	38	—
Loss on liquidation of affiliates	—	—	159
Loss for after-care of products	210	172	510
Spoilage expenses	—	133	—
Business restructuring loss	—	—	75
Income before income taxes and minority interests	729	11,103	9,261
Income taxes (including enterprise tax)	1,230	2,193	4,051
Refund of income taxes	—	—	(1,911)
Adjustment of income taxes	(298)	1,485	109
Total income taxes	931	3,678	2,249
Income before minority interests	—	7,425	—
Minority interests in earnings of consolidated subsidiaries	162	107	350
Net income (loss)	(364)	7,317	6,662

Note: Amounts less than one million yen have been omitted.

● **Consolidated Statements of Cash Flows** (unit: millions of yen)

	Fiscal year 2010 Interim (Apr. 2009 thru Sept. 2009)	Fiscal year 2011 Interim (Apr. 2010 thru Sept. 2010)	Fiscal year 2010 (Apr. 2009 thru Mar. 2010)
Cash Flows from Operating Activities	14,006	11,239	30,408
Cash Flows from Investing Activities	(6,222)	(15,110)	(12,733)
Cash Flows from Financing Activities	(8,720)	4,662	(20,118)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(834)	(1,249)	(513)
Net increase (decrease) in Cash and Cash Equivalents	(1,769)	(458)	(2,956)
Cash and Cash Equivalents at Beginning of Period	27,895	24,855	27,895
Decrease resulting from change of consolidated subsidiaries balance sheet date	(83)	—	(83)
Cash and Cash Equivalents at End of Period	26,042	24,396	24,855

Note: Amounts less than one million yen have been omitted.

■ Corporate Data

Trade Name	Minebea Co., Ltd.
Established	July 16, 1951
Capital	¥ 68,258 million
Number of Employees	2,895
Registered Headquarters	4106-73, Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan Tel: 81-267-32-2200
Head Office and Plants	Tokyo Head Office, Karuizawa Plant, Hamamatsu Plant, Fujisawa Plant, Omori Plant

■ Board of Directors

Representative Director,

President and Chief Executive Officer

Yoshihisa Kainuma

Director, Executive Vice President Officer

Koichi Doshō

Director, Senior Managing Executive Officers

Hiroharu Katogi

Akihiro Hirao

Eiichi Kobayashi

Hiroyuki Yajima

Masayoshi Yamanaka

Hiroataka Fujita

Outside Directors

Kohshi Murakami

Takashi Matsuoka

■ Corporate Auditors

Standing Corporate Auditor

Akifumi Kamoi

Standing Outside Corporate Auditor

Kazuaki Tanahashi

Outside Corporate Auditors

Isao Hiraide

Hiroataka Fujiwara

■ Executive Officers

Senior Managing Executive Officer

Sakae Yashiro

Managing Executive Officers

Susumu Fujisawa

Motoyuki Niijima

Junichi Mochizuki

Tsugihiko Musha

Gary Yomantas

Executive Officers

Morihiro Iijima

Takashi Aiba

Daishiro Konomi

Tatsuo Matsuda

Motoharu Akiyama

Tamio Uchibori

Koichi Takeshita

Tetsuya Tsuruta

Shuji Uehara

Shigeru None

Kunio Shimba

Hiromi Yoda

Harukazu Hase

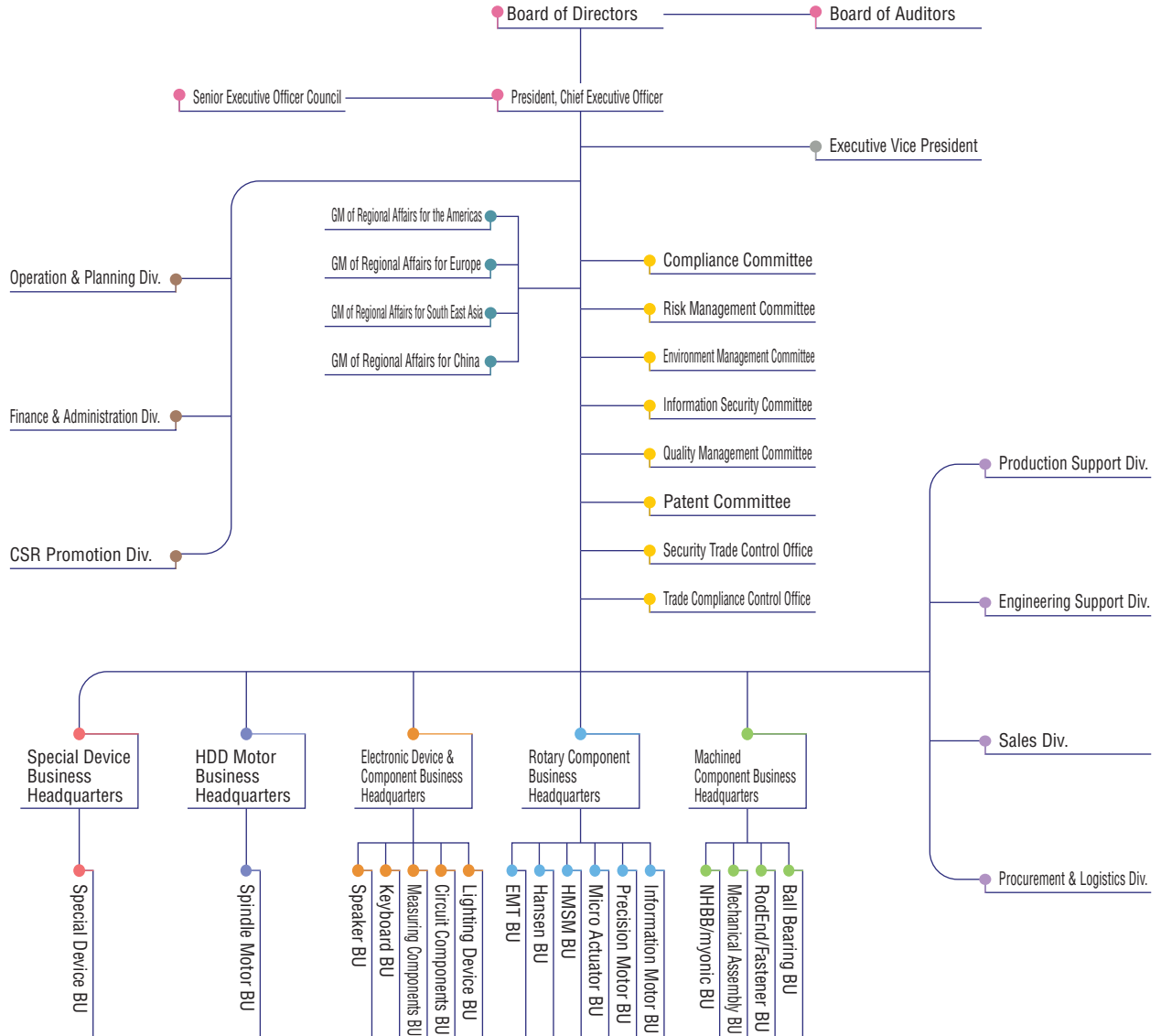
Kazunori Sawayama

Ryozo Iwaya

Motoji Egawa

Toru Narita

Organization Chart



Share Information (as of September 30, 2010)

Total Number of Shares Authorized	1,000,000,000	shares
Number of Shares Issued	399,167,695	shares
Number of Shareholders	20,775	

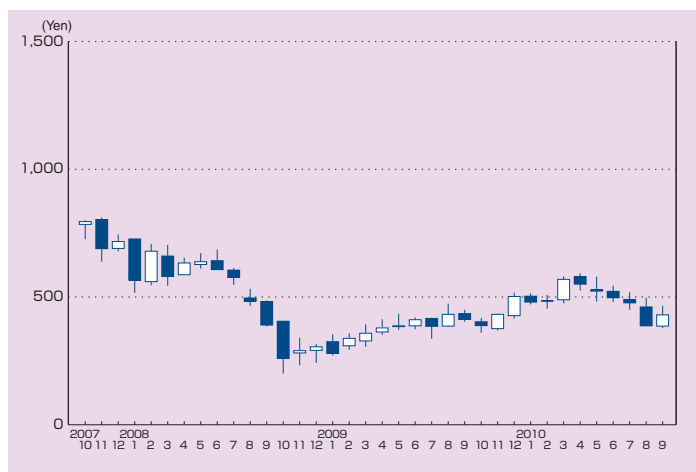
Major Shareholders (Top 10)

	Number of Shares (shares)	Shareholding Ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	30,516,000	7.95
The Master Trust Bank of Japan, Ltd. (Trust Account)	26,597,000	6.93
Japan Trustee Services Bank, Ltd. (Trust Account 4)	17,358,000	4.52
The Sumitomo Trust and Banking Co., Ltd.	15,349,000	4.00
Keiaisha Co., Ltd.	15,000,000	3.91
Japan Trustee Services Bank, Ltd. (Trust Account 9)	14,076,000	3.67
Takahashi Industrial and Economic Research Foundation	12,347,330	3.22
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	10,057,839	2.62
Sumitomo Mitsui Banking Corporation	10,000,475	2.60
The Dai-ichi Life Insurance Company, Limited	5,062,333	1.32

Notes:

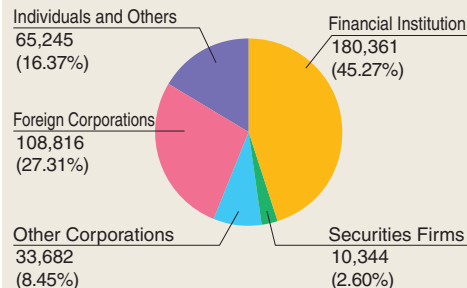
- The Company holds 15,196,633 shares of treasury stock, which are excluded from the major shareholders.
- Shareholding ratio is calculated exclusive of treasury stock.

Stock Price on Tokyo Stock Exchange

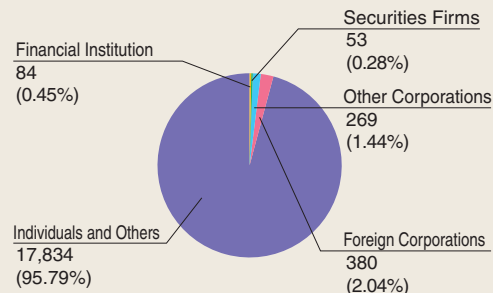


Shareholder Distribution by Unit Shares


Number of Unit Shares (1 unit = 1,000 shares)



Number of Unit Share Holders



Information for Shareholders

Business Year	From April 1 to March 31 of next year	
Ordinary General Meeting of Shareholders	June every year	
Shares per Unit	1,000 shares	
Record Date (To Be Eligible to Receive a Dividend)	Ordinary General Meeting of Shareholders Year-end Dividends Interim Dividends	March 31 every year March 31 every year September 30 every year
Agent to Manage Shareholders Registry and Special Accounts Management Institution	5-33, Kitahama 4-chome, Chuo-ku, Osaka The Sumitomo Trust & Banking Co., Ltd.	
Handling Office of Agent to Manage Shareholders Registry	3-1 Yaesu 2-chome, Chuo-ku, Tokyo The Sumitomo Trust & Banking Co., Ltd. Stock Transfer Agency Department	
(Delivery Address for Postal Matters)	1-10, Nikko-cho, Fuchu-shi, Tokyo 183-8701 The Sumitomo Trust & Banking Co., Ltd. Stock Transfer Agency Department	
(Telephone Inquiries)	 0120-176-417	
Public Notice	The Nihon Keizai Shimbun	
Common Stock Listings	Tokyo, Osaka and Nagoya	

[Payment of Interim Stock Dividends for the 65th Business Year]

The interim stock dividends for the 65th Business Year will be paid by the enclosed “Interim Stock Dividend Warrant for the 65th Business Year.” Please take this Warrant to any office or post office of Japan Post Bank and Japan Post Network (banking agency) within the specified payment period (from December 6, 2010 to January 11, 2011) to receive your dividends.

For those who have designated a transfer account(s), we have enclosed forms of “Statement of Interim Stock Dividends for the 65th Business Year” and “Where to Transfer Dividends” for confirmation.

(With respect to where to transfer dividends in the case you have chosen the method of share number pro-rata distribution in plural securities company accounts, please ask the securities company with which you deal about it.)

[Payment Notice of Listed Stock Dividends, Etc.]

The Special Taxation Measures Law, as amended in 2008 (Law No. 23 of April 30, 2008) requires that, with respect to the dividends, a Payment Notice, which states the amount of dividends, the amount of withholding taxes, etc., be sent to shareholders. (The enclosed Statement of Dividends doubles as the Payment Notice.)

The Payment Notice can be used as attached material when shareholders file a final tax return. (In the case you have chosen the method of share number pro-rata distribution in plural securities company accounts, please ask the securities company with which you deal about it.)

[Shareholders' Inquiries and Notifications Concerning Matters Such as Change of Address]

Please notify inquiries or notifications concerning procedures related to shares (such as change of registered address or name, change of the method or place to receive dividends, and request to sell or buy shares less than one unit [for holders of shares less than one unit]) as follows.

- **Shareholders who hold accounts at securities companies** are requested to notify your securities companies.
- **Shareholders who do not hold accounts at securities companies** are requested to notify The Sumitomo Trust and Banking Co., Ltd. (Please also refer to the notice of “Special Accounts” below.)

[Special Accounts]

Shares of such shareholders that was yet to have used Japan Securities Depository Center, Inc. (JASDEC) by the date of the enforcement of share certificate dematerialization (January 5, 2009) are recorded in the accounts (called “special accounts”) opened at the agent to manage shareholders registry, The Sumitomo Trust and Banking Co., Ltd. For details of special accounts, you are requested to use the previous page telephone number of the company.



国産材・国産品からCO₂を削減
Recognizing the importance of utilizing domestic wood products and nurturing domestic forests, Minebea Co., Ltd., supports the KIZUKAI-UNDOH ("Wood Products Utilization Campaign"), which is being promoted by Japan's Forestry Agency. The 3.9 GREENSTYLE mark is one of the campaign's logos. The production of reports such as this contributes to the use of domestic wood in papermaking materials, and thus to the increased absorption of CO₂ by trees grown in Japan.

Minebea

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