

To Our Shareholders

The 70th Business Year Interim Business Report

April 1, 2015 ▶ September 30, 2015

Minebea
Passion to Exceed Precision

Minebea Co., Ltd.

As the interim period of the 70th Business Year (April 1, 2015 - September 30, 2015) has ended, we would like to present our business summary.

■ Overview of the interim period

The Japanese economy continued to stagnate during the first half of the fiscal year (April 1, 2015 to September 30, 2015). Despite signs of improved consumer spending, both manufacturing and exports remained flat as corporations took a cautious approach to making capital investments.

At the same time, the U.S. economy continued to grow, mainly in the household sector. The robust non-manufacturing sector increased employment and income opportunities while the manufacturing industry lost steam. Fueled by local consumption, the European economy remained on an upward trajectory despite declining exports to non-EU countries.

In Asia, although China's GDP did not drop, a picture of economic uncertainty came into focus as manufacturing companies with excess production capacity and real estate developers put the brakes on investing. Despite the fact that ASEAN countries,

whose economies rely largely on China, did not see exports to China grow, they enjoyed moderate economic recoveries as exports to the U.S. and Europe as well as domestic demand picked up.

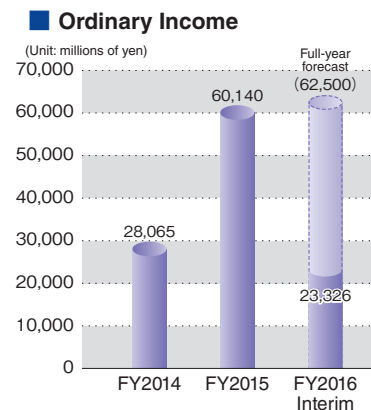
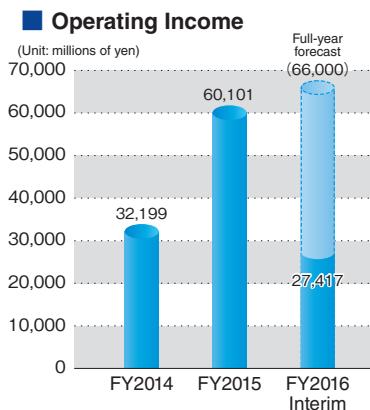
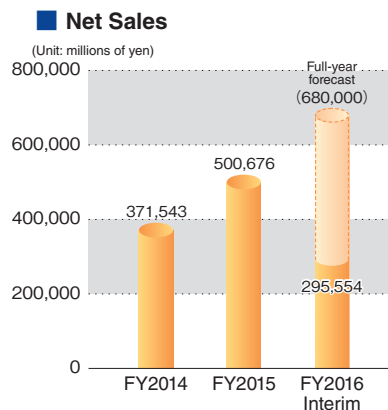
Working against this backdrop, the Minebea Group has been focusing on cutting costs, creating high-value-added products, developing new technologies, and honing its marketing approach in order to boost profitability further.

As a result, net sales were up 78,997 million yen (36.5%) year on year to total 295,554 million yen for a first half record high. Operating income also grew 2,656 million yen (10.7%) year on year to reach 27,417 million yen for another first half record high. Ordinary income was down 1,309 million yen (-5.3%) year on year at 23,326 million yen due to foreign exchange losses. Quarterly net income attributable to shareholders of the parent company totaled 17,758 million yen for a 59 million yen (-0.3%) year-on-year drop.

■ Outlook for the current fiscal year

The U.S. and European economies are likely to remain on an upward trajectory for the rest of this fiscal year, while robust

■ Financial Highlights (Consolidated)



corporate earnings, driven by the weak yen and low crude oil prices, are expected to prevent the Japanese economy from worsening. Yet looming risks, like China's slowing economic growth rate and a possible interest-rate hike in the U.S., still cast a shadow of uncertainty over the global economy.

Given this backdrop, we have decided to revise our consolidated forecast for the entire fiscal year based on our performance in the first half of the current fiscal year and immediate situation.

| | |
|-------------------------------------------------|------------------------------|
| Net sales | 680,000 million yen (135.8%) |
| Operating income | 66,000 million yen (109.8%) |
| Ordinary income | 62,500 million yen (103.9%) |
| Net income attributable to owners of the parent | 48,000 million yen (120.3%) |

(%): Year-on-year change

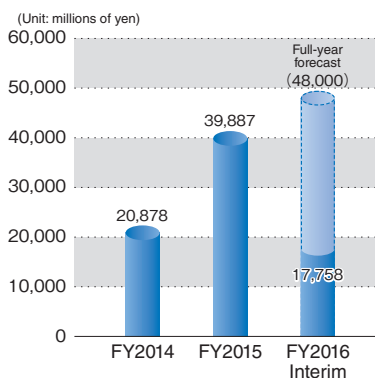


Yoshihisa Kainuma
Representative Director
December 2015

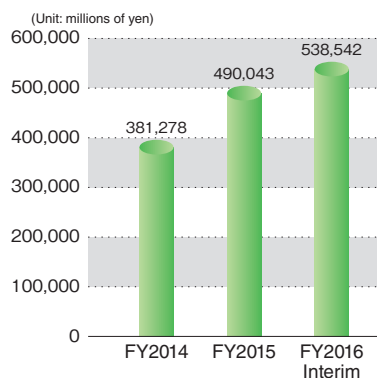
In light of the good performance for this fiscal year, the interim dividend is 10 yen per share. The Company plans to pay a 20 yen per share annual dividend (10 yen for interim dividend and 10 yen for fiscal year-end dividend).

We look forward to your continuous support and guidance.

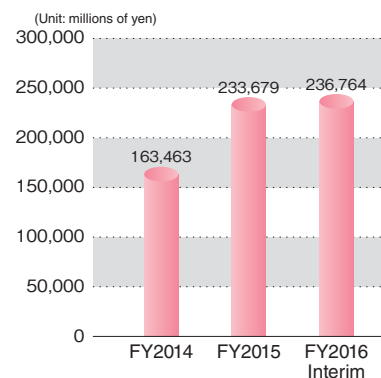
Net Income Attributable to Owners of the Parent



Total Assets



Net Assets

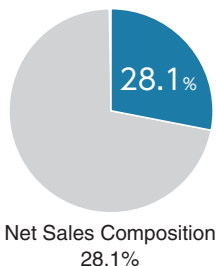


* Following the application of "Accounting Standard for Business Combinations, etc.," "net income" has been renamed "net income attributable to owners of the parent" from the first quarter of the fiscal year ending March 31, 2016.

Overview by Business Segment

Machined Components Business

Net Sales 83,247 million yen  Up 13.0%

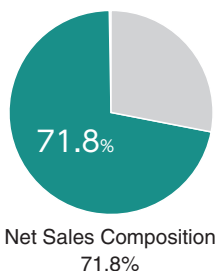


Products in our Machined components business segment include our mainstay, ball bearings, in addition to mechanical components, such as rod-end bearings used primarily in aircraft and hard disk drive (HDD) pivot assemblies, etc., as well as fasteners for automobiles and aircraft. Growing demand in all major markets fueled sales of ball bearings. Sales were particularly robust in the automobile market where demand for energy-efficient models equipped with safety devices soared. Sales of rod-end bearings used in aircraft were also upbeat. Pivot assembly sales dipped slightly in the face of the shrinking HDD market, but improved production efficiency drove operating income up.

As a result, net sales for the first six-month period were up 9,560 million yen (13.0%) year on year to total 83,247 million yen. Operating income was also up 845 million yen (4.4%) year on year, totaling out at 20,175 million yen.

Electronic Devices and Components Business

Net Sales 212,064 million yen  Up 48.5%

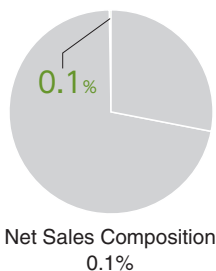


The core products of our Electronic devices and components business include electronic devices (LED backlights for LCDs and measuring components, etc.), HDD spindle motors, stepping motors, DC motors, fan motors, precision motors, and special devices. Surging demand buoyed sales of LED backlights for LCDs as market preferences shifted to high-end smartphones. Minebea's LED backlights have the technological edge when it comes to making thinner products and with more components command a higher price. Sales of measuring components also rose substantially due partly to the acquisition of the Sartorius Mechatronics T&H Group in the previous fiscal year. HDD spindle motor sales increased despite a continually shrinking HDD market while sales of stepping motors and other motors grew mainly in the office automation equipment and automobile markets.

All these factors combined brought net sales for the first six-month period up 69,272 million yen (48.5%) year on year to total 212,064 million yen. Operating income was also up 1,915 million yen (18.4%) year on year, reaching 12,349 million yen.

Other Business

Net Sales 242 million yen  Up 212.5%



First half net sales in our Other business segment, which includes machines produced in-house, rose 165 million yen (212.5%) year on year to total 242 million yen. Operating income decreased by 94 million yen (-79.6%) year on year to total 24 million yen.

- Notes: 1. This fiscal year, the Company has changed its organizational structure; for example, the Electronics Devices & Components Manufacturing Headquarters is included in In-House Division. With this change, segments are also changed.
2. In operating income for the current interim period, in addition to the figures noted above, 5,130 million yen in corporate expenses, etc., not belonging to any particular segment has been included as adjustments. Adjustments for the corresponding period of last fiscal year amounted to 5,121 million yen.

Bearing with 1.5 mm in Outer Diameter Recognized as the Smallest Ball Bearing by the Guinness World Records

A ball bearing having 1.5 mm in outer diameter, manufactured by the Company, was recognized as the smallest commercially available steel ball bearing by the Guinness World Records on August 28, 2015. (Outer diameter: 1.5 mm, inner diameter: 0.65 mm, width: 0.65 mm, speed: 5,000 RPM)

The recognized ball bearings are used in the Tourbillon mechanism (mechanism that compensates for errors caused by tilting of the watch) installed in the highest-grade mechanical watches in Japan. Our miniature ball bearings have been adopted for the first time in the Tourbillon mechanism, the design/development and manufacture of which were considered the most difficult, installed in the mechanical watches, the delicate axels of which have been traditionally supported by jewelries such as rubies. Such an application was featured as the epoch-making event among the independent watch-makers in Switzerland. The Company expects to attract the interest of others to the new market for the application of ultra-small ball bearings, which will lead us to new orders and wider usages and applications on an on-going basis.



Photo comparing a 1.5-mm-outer-diameter ball bearing with a 0.5-mm-lead mechanical pencil

Selection of Plan by MOEJ as Financing Program for JCM Model Project

~ Project to Introduce High-efficiency LED Street Lighting in Cambodia Utilizing Wireless Technologies ~

The plan proposed by the Company was selected, in October 2015, as one of the financing programs for the model projects under the “Joint Crediting Mechanism (“JCM”) entrusted by the Ministry of the Environment of Japan (“MOEJ”), in which the Company intends to introduce high-efficiency LED street lighting in Cambodia through the application of wireless technologies.

The Company has been conducting the research and development of lighting equipment that is capable of adjusting the light distribution of lighting by applying the technologies cultivated in the manufacture of ultra-thin lenses used for LED backlights. Moreover, since combining the wireless technologies of Paradox Engineering SA of Switzerland, the Company’s subsidiary, the Company has engaged in the design and development of high-efficiency LED street lighting. Such street lighting is equipped with the capabilities to adjust light control with perfect freedom through wireless networking, and monitor the operating time and power consumption, thereby significantly reducing the amount of energy consumption and the emission of greenhouse effect gasses.



Street light and Paradox Engineering SA’s wireless system installed at our plant in Cambodia

Start of Mass Production and Sales of New LED Lighting “SALIOT”

The Company has applied technologies for light guiding panels and plastic injection molding that have been cultivated through the production of LED backlights to develop LED Lighting (Smart Adjustable Light for IoT (SALIOT)) capable of automatically adjusting a light distribution angle. Mass production and sales started in Japan and overseas in July 2015.

“SALIOT” is a new product, which not only can adjust the direction of light and light distribution angles ranging from 10° to 30° through controlling the distance between the light emitting diode and the lens by motor, but also can manage and control a light distribution angle and brightness, both horizontally and vertically with ease by smartphone or tablet through the development and implementation of software applying Bluetooth Mesh wireless technologies on a proprietary basis.

Up to this point, the adjustment of large-sized illumination installed in the high ceiling—such as is required at the commercial complex, show rooms, museums of various kinds, art museums, etc.—has been performed manually with a stepladder or an adjusting rod, which is dangerous and troublesome at times. “SALIOT” is capable of controlling the various directions of light and light distribution angles for up to 100 units of lighting devices using one controller, thereby providing appropriate solutions to a wide array of customers including facility owners, contractors, designers, etc.



New LED Lighting “SALIOT”

Consolidated Financial Statements

● Consolidated Balance Sheets (unit: millions of yen)

| | Fiscal year 2016 Interim (as of September 30, 2015) | Fiscal year 2015 (as of March 31, 2015) |
|------------------------------------|-----------------------------------------------------------|-----------------------------------------------|
| Assets | | |
| Current assets | 318,944 | 265,185 |
| Cash and cash equivalents | 42,092 | 45,327 |
| Notes and accounts receivable | 138,727 | 110,518 |
| Marketable securities | 1,797 | 1,487 |
| Finished goods | 43,993 | 36,900 |
| Work in process | 30,426 | 22,620 |
| Raw materials | 22,637 | 17,381 |
| Supplies | 5,209 | 5,162 |
| Goods in transit | 15,875 | 10,097 |
| Deferred tax assets | 4,982 | 3,631 |
| Other | 13,387 | 12,233 |
| Allowance for doubtful receivables | (185) | (175) |
| Fixed assets | 219,581 | 224,834 |
| Tangible fixed assets | 187,403 | 192,597 |
| Intangible fixed assets | 13,208 | 12,152 |
| Investments and other assets | 18,969 | 20,083 |
| Deferred charges | 16 | 23 |
| Total assets | 538,542 | 490,043 |

| | Fiscal year 2016 Interim (as of September 30, 2015) | Fiscal year 2015 (as of March 31, 2015) |
|----------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------|
| Liabilities | | |
| Current liabilities | 216,452 | 167,620 |
| Notes and accounts payable | 93,102 | 59,906 |
| Short-term loans payable | 58,099 | 46,656 |
| Current portion of long-term loans payable | 19,682 | 20,100 |
| Lease obligations | 97 | 172 |
| Accrued income taxes | 8,183 | 8,219 |
| Accrued bonuses | 9,060 | 6,251 |
| Allowance for bonuses to directors | 90 | 201 |
| Allowance for after-care of products | 314 | 345 |
| Allowance for environmental remediation expenses | 814 | 410 |
| Allowance for business restructuring losses | 155 | 587 |
| Other | 26,853 | 24,768 |
| Long-term liabilities | 85,325 | 88,743 |
| Bonds | 10,000 | 10,000 |
| Convertible bond-type bonds with subscription rights to shares | 7,700 | 7,700 |
| Long-term loans payable | 52,325 | 54,005 |
| Lease obligations | 95 | 205 |
| Allowance for retirement benefits to executive officers | 164 | 182 |
| Allowance for environmental remediation expenses | 293 | 650 |
| Net defined benefit liability | 11,939 | 12,975 |
| Other | 2,807 | 3,024 |
| Total liabilities | 301,778 | 256,363 |
| Net Assets | | |
| Shareholders' equity | 264,646 | 248,820 |
| Common stock | 68,258 | 68,258 |
| Capital surplus | 95,500 | 95,237 |
| Retained earnings | 110,246 | 94,730 |
| Treasury stock | (9,358) | (9,406) |
| Total accumulated other comprehensive income | (35,774) | (22,682) |
| Difference on revaluation of available-for-sale securities | 1,492 | 1,677 |
| Deferred gains or losses on hedges | (14) | (2) |
| Foreign currency translation adjustments | (34,903) | (21,144) |
| Remeasurements of defined benefit plans | (2,348) | (3,213) |
| Subscription rights to shares | 135 | 127 |
| Non-controlling interests | 7,756 | 7,413 |
| Total net assets | 236,764 | 233,679 |
| Total liabilities and net assets | 538,542 | 490,043 |

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

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

| | Fiscal year 2016 Interim (Apr. 2015 thru Sept. 2015) | Fiscal year 2015 Interim (Apr. 2014 thru Sept. 2014) |
|-------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Net sales | 295,554 | 216,557 |
| Cost of sales | 232,866 | 163,106 |
| Gross profit | 62,687 | 53,450 |
| Selling, general and administrative expenses | 35,269 | 28,688 |
| Operating income | 27,417 | 24,761 |
| Other income | 949 | 1,435 |
| Interest income | 299 | 279 |
| Dividends income | 69 | 82 |
| Foreign currency exchange gains | — | 202 |
| Dividends income of insurance | 206 | 218 |
| Other | 373 | 652 |
| Other expenses | 5,041 | 1,561 |
| Interest expenses | 569 | 757 |
| Foreign currency exchange losses | 3,434 | — |
| Other | 1,037 | 803 |
| Ordinary income | 23,326 | 24,635 |
| Extraordinary income | 1,577 | 187 |
| Gain on sales of fixed assets | 15 | 17 |
| Insurance income | 504 | 50 |
| Government subsidy | 973 | — |
| Gain on liquidation of affiliates | 83 | — |
| Gain on sales of subsidiaries and affiliates' stocks | — | 119 |
| Extraordinary loss | 1,661 | 2,424 |
| Loss on sales of fixed assets | 13 | 13 |
| Loss on disposal of fixed assets | 62 | 105 |
| Loss on reduction of fixed assets | 928 | — |
| Impairment loss | — | 67 |
| Loss on disaster | 137 | 5 |
| Loss on sales of subsidiaries and affiliates' stocks | — | 1,261 |
| Business restructuring losses | 61 | 721 |
| Loss on abolishment of retirement benefit plan | 50 | 215 |
| Loss for after-care of products | 220 | — |
| Allowance for environmental remediation expenses | 187 | 35 |
| Income before income taxes | 23,241 | 22,398 |
| Income taxes (including enterprise tax) | 6,869 | 3,724 |
| Adjustment of income taxes | (1,653) | 886 |
| Total income taxes | 5,215 | 4,610 |
| Net income | 18,026 | 17,787 |
| Net income (loss) attributable to non-controlling interests | 267 | (29) |
| Net income attributable to owners of the parent | 17,758 | 17,817 |

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

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

| | Fiscal year 2016 Interim (Apr. 2015 thru Sept. 2015) | Fiscal year 2015 Interim (Apr. 2014 thru Sept. 2014) |
|---------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|
| Cash flows from operating activities | 13,214 | 19,127 |
| Cash flows from investing activities | (27,150) | (9,861) |
| Cash flows from financing activities | 8,967 | (9,819) |
| Effect of exchange rate changes on cash and cash equivalents | (398) | 705 |
| Net increase (decrease) in cash and cash equivalents | (5,366) | 151 |
| Cash and cash equivalents at beginning of period | 36,137 | 29,031 |
| Cash and cash equivalents at end of period | 30,771 | 29,183 |

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

Trade Name : Minebea Co., Ltd.
Established : July 16, 1951
Capital : 68,258 million yen
Number of Employees : 3,470

Registered Head Office : 4106-73, Oaza Miyota, Miyota-machi, Kitasaku-gun, Nagano 389-0293, Japan
Phone: +81-267-32-2200

Tokyo Headquarters : 3-9-6 Mita, Minato-ku, Tokyo 108-8330, Japan
Phone: +81-3-6758-6711

Headquarters and Plants : Tokyo Headquarters, Karuizawa Plant, Matsuida Plant, Hamamatsu Plant, Fujisawa Plant, Yonago Plant

■ Minebea's Website <http://www.minebea.co.jp/english/>

Information on Minebea can be found on our website. Contents including press releases, product information, company information, information for investors, recruitment information, procurement and CSR/environmental activities are updated as needed. We also offer our Minebea news delivery service, sending you the latest press releases by e-mail. (The Minebea news delivery service can be subscribed to on the "Press Release" page. The service is managed and operated by the Corporate Communications Office and is available in both Japanese and English.)

Homepage



IR Information

The "Investors" page contains various IR information, including management policy, stock and bond, IR library documents, financial data and investor meeting presentations.

CSR/Environmental Activities

The "CSR/Environment" page contains information on the Minebea Group's commitment to CSR, its initiatives in this area, corporate governance and environmental activities. Past issues of our CSR reports published every year, can also be downloaded from this page.

Share Information (as of September 30, 2015)

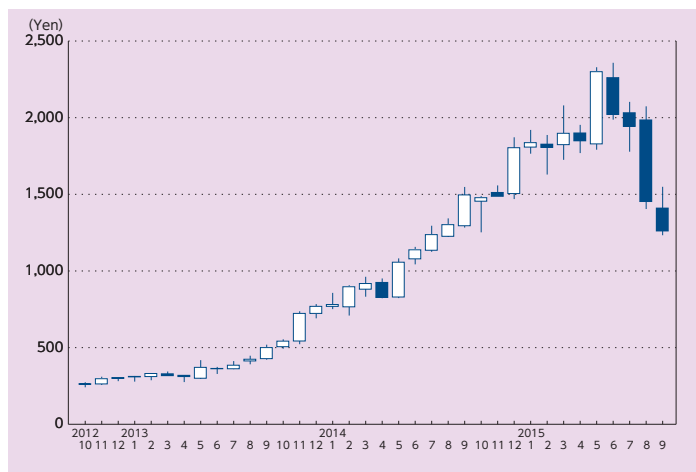
| | | |
|-----------------------------------|---------------|--------|
| Total Number of Shares Authorized | 1,000,000,000 | shares |
| Number of Shares Issued | 399,167,695 | shares |
| Number of Shareholders | 20,015 | |

Major Shareholders (Top 10)

| | Number of Shares (shares) | Shareholding Ratio (%) |
|-------------------------------------------------------------------|------------------------------|---------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 28,063,000 | 7.42 |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 18,085,000 | 4.78 |
| Takahashi Industrial and Economic Research Foundation | 15,447,330 | 4.08 |
| Sumitomo Mitsui Trust Bank, Limited | 15,349,000 | 4.06 |
| Japan Trustee Services Bank, Ltd. (Trust Account 4) | 13,512,000 | 3.57 |
| National Mutual Insurance Federation of Agricultural Cooperatives | 10,380,000 | 2.74 |
| Keiaisha Co., Ltd. | 10,100,000 | 2.67 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 10,057,839 | 2.66 |
| Sumitomo Mitsui Banking Corporation | 10,000,475 | 2.64 |
| The Dai-ichi Life Insurance Company, Limited | 5,062,333 | 1.34 |

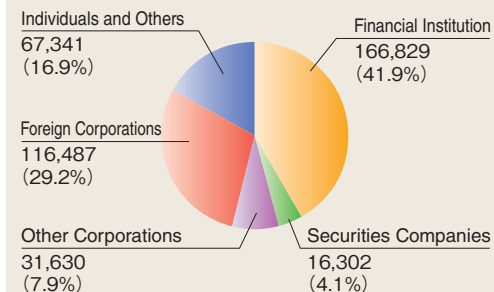
Note: 1. The Company holds 21,017,755 shares of treasury stock, which are excluded from the major shareholders.
2. Shareholding ratio is calculated exclusive of treasury stock.

Stock Price on Tokyo Stock Exchange



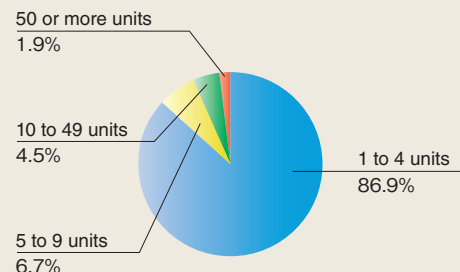
Distribution of Shareholding by Investor Type

(1 unit = 1,000 shares)



※The figure in () indicates the shareholding ratio.

Distribution of Number of Shareholders by Number of Shares Held



[Payment of Interim Stock Dividends for the 70th Business Term]

The Interim stock dividends for the 70th Business Year will be paid by the enclosed *Interim Stock Dividend Warrant for the 70th 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 4, 2015 to January 12, 2016) to receive your dividends.

We have enclosed forms of *Statement of Interim Dividends* and *Where to Transfer Dividends* for those who have designated a transfer account(s), and forms of *Statement of Interim Dividends* and *How to Receive Dividends* for those who have chosen the method of share number pro-rata distribution in plural securities company accounts for your confirmation.

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

[Special Accounts]

What is a special account?

In line with share certificate dematerialization, all our shares are electronically registered at Japan Securities Depository Center, Inc. (JASDEC). As a general rule, such an account is managed through a shareholder's account at a securities company. Shares of such shareholders that have not notified us of their accounts at securities companies are managed at special accounts we opened at Sumitomo Mitsui Trust Bank, Limited in order to protect the shareholders' rights.

Shares registered in our special accounts cannot be traded except for selling or buying shares less than one unit (1,000 shares). To sell or buy shares in a special account, shareholders are requested to open an account with a securities company and transfer such shares from our special account to their account. For details of the procedures, please contact the Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited.

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

Please direct inquiries or notifications concerning procedures related to shares (such as change of registered address, 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]) to the following, depending on your account type.

Shareholders whose shares are recorded in **the account at a securities company**


Please contact the securities company.

Shareholders whose shares are recorded in **the special account**

Please contact the Stock Transfer Agency Business Planning Department of Sumitomo Mitsui Trust Bank, Limited

Contact for All Inquiries

Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Business
Planning Department

 0120-782-031 (Weekdays 9 a.m. to 5 p.m.)
(Mailing Address) 2-8-4, Izumi, Sugunami-ku, Tokyo, 168-0063, Japan

● 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

Ordinary General Meeting of Shareholders
March 31 every year

● To Be Eligible to Receive a Dividend

| | |
|--------------------|-------------------------|
| Year-end Dividends | March 31 every year |
| Interim Dividends | September 30 every year |

● Stock Transfer Agent and Account Management

Institution for Special Accounts
Sumitomo Mitsui Trust Bank, Limited
1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan

● Handling Office

Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Business Planning Department
1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
(Mailing Address)
Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Business Planning Department
2-8-4, Izumi, Suginami-ku, Tokyo, 168-0063, Japan
(Telephone Inquiries)
 0120-782-031 (Weekdays 9 a.m. to 5 p.m.)

● Public Notice

Public notice by the Company shall be carried out by way of electronic public notice. (<http://www.minebea.co.jp/>)
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 Shimbun.

● Common Stock Listings

Tokyo and Nagoya

Minebea Co., Ltd.

Tokyo Head Office

3-9-6 Mita, Minato-ku, Tokyo 108-8330, Japan

Phone: +81-3-6758-6711 Fax: +81-3-6758-6700

URL: <http://www.minebea.co.jp/english/>